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# China Report

ECONOMIC AFFAIRS

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## NATIONAL POLICY AND ISSUES

### CHEN JIANFEI ON SIXTH 5-YEAR PLAN DEVOTION

SK030537 Harbin HEILONGJIANG RIBAO in Chinese 9 Dec 82 p 1

[Text] Our reporter interviewed, in Beijing Municipality, Chen Jianfei, deputy to the fifth session of the Fifth NPC, secretary of the provincial CPC Committee and deputy governor of the province, to solicit his personal view on major provincial industrial production problems that should be solved in order to successfully fulfill the sixth 5-year economic plan. He stated: The sixth 5-year economic plan imposes quite heavy tasks on our province, such as, upgrading economic results, maintaining a 4-5 percent increase in industrial production, steadily improving product quality, meeting the social demands for new product varieties and continuously lowering the consumption of raw materials and energy resources.

He stated: To this end, our province should emphatically do a good job in dealing with the following issues:

1. It is necessary to emphatically do a good job in developing energy resources and practicing economy in energy consumption. We should strive to maintain a steady supply of petroleum for a longer period. A much longer period will certainly contribute much to the state. Meanwhile, efforts should be made to vigorously strengthen prospecting operations around the Daqing oil fields for finding other large-sized wells and "middle-and-small-sized" wells. In coal production, it is necessary to accelerate the construction of new mines that are under the state's construction plans and also to actively rebuild old mines so as to steadily upgrade coal output and economic results. The construction of collieries run by local areas should be greatly developed. All of this will be favorable for us in striving to double the coal output by the end of this century. At the same time, great efforts should be made to concentrate on the conservation of energy resources. At present, our utilization rate of energy resources is still low and only approaches 26 percent, around 50 percent less than that of the advanced countries in the world. Therefore, the work of saving energy resources and upgrading the rate of utilizing energy resources is extremely urgent. Efforts should be made to centralize heating supplies and set up a supply network in this regard and a production network in thermo-electric power. It is necessary to supply as much gas as possible to urban dwellers, devise new boilers that may save fuel, move away from small-sized boilers and reform industrial furnaces. Efforts

should be made to vigorously produce electric power and internal-combustion engine locomotives and develop new energy resources, such as vigorously utilizing solar energy, waterpower, windpower and marsh gas so as to enable energy resources to meet or saturate the demands of production development.

2. It is necessary to unswervingly uphold successful enterprise consolidation. There still exists in our province the prominent problems of low managerial levels, duplicate production and duplicate construction of plants. All enterprises across the province should do a good job in enterprise consolidation according to the demands set forth by Premier Zhao Ziyang. As to enterprises that consume excessive amounts of raw materials and energy resources, turn out low-quality products and suffer from sluggish sales and long-time losses, the province should be determined to close some, to suspend production among some, to combine their production with other plants and to transfer their production to other commodities. As to some enterprises, it is also necessary to impose deadlines for reorganization. Economic results will be markedly upgraded by 1985 through effective enterprise readjustment and restructuring.

3. It is necessary to strengthen the work of conducting technical renovation among enterprises. The major reasons for our province's failure to upgrade economic results are backward technology and out-of-date equipment. At present, our province's rate of dismantling out-of-date equipment is still low and only approaches 3-4 percent. If it goes on like this, our province will be only able to carry out its equipment renewal after 30 to 40 years. The slow progress in technical renovation among enterprises is, of course, caused by the lack of funds, which will certainly result in a vicious circle because of the adverse influence of equipment on products and the adverse effect of products on the accumulation of funds by plants. It is necessary to gradually see to it that enterprises retain all funds for dismantling out-of-date equipment and are allowed to enjoy considerable freedom so as to enable them to take the initiative in technical renovation. In addition, it is necessary to launch a mass campaign for technical innovation and renovation. The current stress on technical innovation and renovation should be directed towards crucial equipment and not to all equipment.

4. It is necessary to vigorously popularize and apply achievements in scientific and technological research. Another reason for low economic results and poor commodity competitiveness prevailing in our province is the low level of science and technology. A large number of production techniques that have gained extensive influence and are widely applied by industrial enterprises throughout the province have not been improved for a long time, resulting in the general adverse phenomenon of high consumption and costs and low efficiency and quality, as well as tardiness in turning new achievements in scientific research directly into productive forces. Therefore, to upgrade economic results and productive ability, it is imperative to vigorously popularize and apply achievements in scientific research. Foreign countries have generally reached the rate of 50 percent in utilizing the achievements in scientific research, and some have highly reached 80 percent. Our country, however, is only able to reach 10 percent

in this regard. The maximum rate in applying scientific achievements in our country is not over 30 percent. Therefore, great attention should be paid to popularizing and applying achievements in scientific research. Efforts should be made to adopt measures for organizing joint units between enterprises and scientific institutes; enacting contract systems between production units and scientific and technological centers for technical support in promoting production; sponsoring experience-exchange meetings on popularizing achievements in scientific and technological research; organizing technical advisory companies; and openly recruiting technical experts and advisors, carrying out joint operations in overcoming technical difficulties, utilizing achievements in scientific research, enforcing contract systems in technical offerings and transferring the achievements in scientific research as to accelerate the popularization and application of these achievements. At the same time, it is necessary to further implement the policy on intellectuals and create conditions to enable them to boldly engage in research and to score more scientific and technological achievements.

5. It is necessary to do a good job in utilizing foreign capital. In the period in which we will concentrate on fulfilling the sixth 5-year economic plan, we will have no great additional capital from the state and the provincial authorities. To make good use of foreign capital is a good idea. Our province should pay great attention in this regard because of its abundant material resources. Over the past few years, we have had foreign investment of over \$40 million and have completed the construction of 44 projects. At present, we are entering into negotiations with foreign countries on 18 projects that may introduce foreign capital of over \$70 million. Efforts should be made to successfully accomplish this by fully adopting measures for accepting foreign loans, conducting joint ventures, carrying out compensatory trade and processing goods with materials or patterns supplied by foreign customers.

CSO: 4006/193

## NATIONAL POLICY AND ISSUES

### 'GONGREN RIBAO' WRITES ON WAGE SYSTEM REFORM

HK130315 Beijing ZHONGGUO XINWEN SHE in Chinese 0231 GMT 13 Jan 83

[Text] Beijing, 13 Jan (ZHONGGUO XINWEN SHE)--Today's GONGREN RIBAO editorial says that, in order to create a new situation on the industry and communications and finance and trade fronts, it is imperative to reform the systems of the "iron rice bowl" and "everybody eating from the same big pot." The editorial reveals that the central departments concerned are now studying and formulating schemes for wage system reforms.

The paper carries on the front page masthead an investigation report written by Kang Binghe [1660 09393 0735], adviser to the Labor and Personnel Ministry, on wage problems in two construction companies in Luohu Municipality, Henan. One of these companies is the Dongfeng Construction Company, under collective ownership, and the other is the Municipal No 1 Construction Company, under all-people ownership. According to the investigation report, the Municipal No 1 Construction Company has more workers, superior material conditions, and a higher degree of mechanization. The average wage of its workers is 18.85 yuan higher than that of the Deongfeng company. In economic results, however, this company is inferior to the Dongfeng Construction Company, since the average construction area completed by its workers is 13.5 square meters less than that done by the Dongfeng company workers (that is to say, three people in the Dongfeng company do the work of four in the Municipal No 1 Construction Company), while its labor productivity in money terms is 1,837 yuan less than in the Dongfeng company (that is to say, two people in the Dongfeng company do better than three in the Municipal No 1 Construction Company). Why is the state-owned enterprise inferior to the collective one? GONGREN RIBAO says that the main reason is that the current setup inhibits people's initiative and limits improvements in labor productivity and economic results.

The editorial points out that there are two main defects in China's current wage system: 1) the system is irrational; 2) the system involves egalitarianism with everybody eating out of the same big pot. There is no connection between remuneration for workers' labor and the performance of enterprise management, nor is it linked to individual labor performance or technological level. Hence there are formed what are commonly called three sames: The same pay no matter how one works, how management performs, or what one's technical standards are; and three unchanging things: Wages

cannot change in the wake of changes in labor productivity, in the wake of changes in the individual's contribution, or in the wake of changes in management performance. This type of system encourages the backward instead of the progressive; it encourages laziness instead of hard work; and it encourages living off socialism instead of working to build it. Such a system seriously damages the revolutionary initiative of the masses, hampers the development of production, and also ruins the political qualities and sense of organization and discipline of the work force. It affects the progress of the four modernizations.

The editorial says that carrying out reforms and eliminating the defects of egalitarianism and everybody eating out of the same big pot in the wages system has become the common demand of the cadres and workers in the enterprises and constitutes the inevitable trend of development for the economic responsibility systems.

The editorial says that at present, when there has been no all-round reforms of the wages system, certain experiments have been carried out in floating wages, which guarantee the unified nature of wage work and also possess a certain degree of flexibility by ensuring equal pay for the same work in different enterprises and looking after the interests of one's neighbors while also stipulating certain differentials in light of the results of an enterprise's management; such systems guarantee the workers' basic wage and also stipulate differentials according to the degree of a worker's contribution. Thus hard work is rewarded and laziness punished. These experiments have been welcomed by the workers.

The editorial says that we must seriously sum up our experiences and also select, under leadership, some more trial points for experiments. We must further implement the policy of distribution according to labor, mobilize the workers' initiative, improve economic results, and also accumulate experience for future wage reforms.

CSO: 4006/193

## NATIONAL POLICY AND ISSUES

### JIANGXI RADIO ON RAISING ECONOMIC RESULTS

OW101135 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 7 Jan 83

[Station commentary: "It Is Necessary to Further Correct the Guiding Ideology for Enterprises--First Discourse on Raising Economic Results"]

[Excerpts] Since the third plenary session of the 11th Party Central Committee, our province's economy has been advancing on a steady course and is looking rosier each day.

But what must be done in order to maintain the continual development of our flourishing economy? The answer is, first of all, we must further correct the guiding ideology. That is to say, we must effectively shift the focus of all economic work to raising economic results of production, construction and circulation by all possible means and enhance the level of development of the whole national economy. This is a major change in our nation's economic construction policy.

Ours is a socialist country. Basically, our purpose in production and construction is to satisfy the people's growing material and cultural needs. If we concentrate only on output and speed, disregard their economic results and turn out products which are unsalable and must be kept long in stock, not only will we fail to satisfy the people's needs, but will also cause a great deal of waste. This is a fundamental violation of the purpose of socialist production and construction.

In recent years, although we have made a lot of progress in theory, understanding and guiding ideology, we cannot yet say that our guiding ideology has been thoroughly corrected. The idea of singularly pursuing output and speed and the phenomenon of looking after the interests of only one's own department or unit, without taking into consideration the economic impact on society as a whole, are still persisting in some localities and enterprises to varying degrees. This shows that we have not yet made this important shift both in ideology and action. Therefore, this year we must further correct the guiding ideology, sincerely placing economic results above everything else, and grasp it as a key and fundamental issue in economic work.

To thoroughly correct guiding ideology, we must continue to study the documents of the 12th Party Congress, 5th session of the 5th National People's Congress and a series of expositions on raising economic results by leading comrades of the central organs. We must also closely integrate theory with practice, continually sum up experiences and lessons, further eliminate "left" ideological influences and thoroughly liberate ourselves from the old idea of singularly stressing output, which has been with us for a long time.

CSO: 4006/193

## NATIONAL POLICY AND ISSUES

### STATE SUPPLIES OFFICIAL SPEAKS ON WORK IN 1983

OW120505 Beijing Domestic Service in Mandarin 0400 GMT 7 Jan 83

[Text] Talking to reporters recently on how to create a new situation in supply work in the new year, Li Kaixin, director of the State Bureau of Supplies, pointed out: The supply departments should conduct investigation and study to get a deeper understanding of the actual situation, restructure the supply system, popularize advanced operational and management methods, continue to emancipate their minds and bodily carry out innovative work, centering on achieving better economic results in the circulation of commodities.

After reviewing the encouraging state of supply work which has registered fairly rapid growth and improvement in the past 3 years, Comrade Li Kaixin pointed out: 1983 is a crucial year in fulfilling the sixth 5-year plan, and the tasks of the supply departments are arduous. First of all, an overall balance should be achieved in supply work, taking into consideration the production and demand of society as a whole. It is imperative to firmly implement the instruction repeatedly stressed by the party Central Committee and the State Council that mandatory planning must be strengthened with regard to materials which are distributed under unified state plans to guarantee that planned production and construction needs will be met. At the same time, it is necessary to continue to strengthen allocation and regulation so as to fully tap the supply potentials. Supply departments in all localities should actively continue to organize commodity sources outside of plans through different channels to insure supplies. As for methods of supply, it is necessary to continue to adopt flexible and varied measures and continue to popularize such methods as direct supply, supply at fixed points, unlimited supply, supply by coupons, verified supply and so forth.

Asked by reporters as to what will be done to reform the supply system in the new year, Director Li Kaixin pointed out emphatically: Restructuring the present economic management systems is a major guarantee for comprehensively improving economic results. In the past few years, some commodities, such as tires, steel products, nonferrous metals, lumber and so forth, have been supplied locally from nearby cities through a transfer of supply destinations. Some provinces and autonomous regions have readjusted commodity transport routes based on rational directions of flow taking cities as centers. Some areas have organized joint purchases and marketing

with large and medium-sized cities as centers linking other cities and towns, which is conducive to better commodity allocation and regulation and flexible commodity circulation. Good experiences have been gained in these practices. Now Premier Zhao Ziyang has affirmed the direction of reform by organizing production and circulation under unified plans with cities as centers. In accordance with this guideline, we must earnestly conduct investigation and study and, on the basis of experiences already acquired, sum up the new findings in a systematic way, constantly improve them and popularize them step by step.

Recently the State Council approved a report by the State Economic Commission and the State Planning Commission on experiments at selected units in supplying metal items locally and from nearby sources in Beijing, Tianjin, Shanghai, Jiangsu, Hebei and other provinces and municipalities. The State Bureau of Supplies, in cooperation with the areas and departments concerned, should make conscientious efforts to do this well. With regard to the experimental reform in Jiangsu Province of combining prefectures with cities to give play to the role of cities, the supply departments should give vigorous support and in the process gain experience in reforming the supply management system.

Comrade Li Kaixin said: While disseminating the above-mentioned experiences and conducting experiments at selected units, it is also necessary to conscientiously study and draw up a comprehensive plan for reforming the supply management system.

Director of the State Bureau of Supplies Li Kaixin in conclusion commented on the training of workers and staff members of supply departments in the future and the modernization of the scientific and technological aspects of supply work: Whether the tremendous role of science and technology is brought into full play will have a very important bearing on improving the supply system. The training of workers and staff members to raise their cultural and professional level is an urgent strategic task. At present, the technical measures and equipment of our commodity circulation are rather backward. In 1983, supply departments at all levels should draw up concrete plans for the development of science and technology in commodity circulation and implement them step by step. Emphasis should be placed on the application of electronic technology and the popularization of new techniques for saving energy and major raw and semifinished materials.

CSO: 4006/193

## NATIONAL POLICY AND ISSUES

### SHOUDU WORKERS BENEFIT BY RESPONSIBILITY SYSTEM

HK100656 Beijing GUANGMING RIBAO in Chinese 30 Dec 82 p 1

[Zhang Zhongwen (1723 1813 2429): "There is vast room for maneuver -- Fifth in a series of reports on the Shoudu Iron and Steel Company"]

[Text] "Our scientific research workers are no longer concerned about a lack of opportunities for giving play to their talents. Now, the economic responsibility system has been implemented and the whole company has placed its hope for developing production on science and technology. Countless research projects have been put forward, requiring urgent achievement and involving great difficulties. The scientific and technical workers are now under heavy burden of tasks," said excitedly Comrade Lu Yun, secretary of the party committee of the Research and Design Institute of the Shoudu Iron and Steel Company, in briefing us on the situation.

This was not the case in the past. At that time the tasks were fixed by the upper level which was responsible for all the supplies of materials and marketing of goods. It was the same whether the enterprises did well or bad. The factories and mines lacked motivation and pressure for carrying out technical transformation. Sometimes, they did want to carry out some, but first, they had no power, and second, they had no money, and were therefore unable to do anything. Since the implementation of the economic responsibility system throughout the company, everybody has been considering how to fulfill the glorious and arduous task of handing over to the state 410 million yuan of profits this year. Everybody has shouldered his share of responsibility for this. Now that they have already tapped nearly all the potential in reducing expenditures and waste, the creation of a new situation in production must depend on science and technology. Therefore, countless renovation and transformation projects continue to be put forward for raising production, conserving energy, increasing variety of products and improving surroundings.

During the joint battle to install two additional type-650 rolling mills in the initial rolling factory, the Research and Design Institute of the company was responsible for the designing work. One middle-aged engineer in charge of the overall coordination of this task in the institute told us: Type-650 rolling mills can process small cubic steel billets of a

relatively smaller size which are of a higher price. Previously, the initial rolling factory had only two such mills lying in parallel. They could only turn out less than 500,000 ton of billets a year. If two new ones were installed in a line, the annual output of small cubic billets would be pushed up to over 1 million tons, which would add more than 10 million yuan to our profits. This was thought about for many years, but could not be realized. Last year, it roused the attention of the leading groups at all levels and all the staff and workers; a feasibility study of this scheme was quickly carried out. Less than 8 months were spent in the total process of designing, installing and putting it into operation, from November last year to July this year. The total investment of 13 million yuan will be recovered in about 1 year. This engineer said with deep feeling: From this project, we can see that now we scientific and technical workers not only have great opportunities to display our talents, but are able to do our work more smoothly. We owe this to the economic responsibility system. The responsibility system has closely linked everybody's thoughts with the production of the whole company. When a problem emerges in any sector, people will come from all parts of the company to give proposals and help to solve it. During the installation of the type-650 mills, it was found that the sizes of 16 bearing seats were wrongly designed. The designing workers were very anxious. If these seats had been reprocessed, it would have taken a lot of time and caused considerable delay to testing and putting into operation the mills. At that time an engineer in the initial rolling factory sent for some skilled workers on his own. These workers quickly repaired the bearing seats, thus avoiding any delay in the testing.

Now, there is, in the words of the scientific and technical workers there, vast room for maneuver in carrying out scientific and technical work in the Shoudu Iron and Steel Company. What only matters is whether one has the abilities.

CSO: 4006/193

ECONOMIC PLANNING

POLICY ON INDIVIDUAL INDUSTRY, COMMERCE EASED IN TIANJIN

SK110053 Tianjin City Service in Mandarin 0030 GMT 10 Jan 83

[Text] To implement the guidelines of the 12th Party Congress, to bring prosperity to the economy and to bring into play the supplementary role of individually-run industry and commerce, the Tianjin Municipal Industrial and Commercial Administrative Bureau has recently further relaxed the policies that restrict development of individually-run industry and commerce in urban and rural areas.

Referring to the focal points on developing non-agricultural individually-run industry and commerce in urban and rural areas, it is stipulated that, at present, priority should be given to the development of individual businessmen and pedlars should be allowed to transport the agricultural and sideline products that are permitted to be put on the market from rural areas whose state unified and assigned tasks have been fulfilled, and retail or wholesale them at agricultural and trade markets in urban areas. It is also stipulated that individual businessmen and pedlars who engage in small-scale business and who have fulfilled the relevant procedures should be allowed at any time to purchase waste and secondhand goods for civil use and sell them to the departments in charge of collecting waste and secondhand goods or sell them at legal secondhand goods markets.

With regard to the business scope and forms of non-agricultural individually-run industry and commerce in urban areas, general merchandise of various kinds produced by individuals is allowed to be marketed. While developing the minor merchandise in the third category, individual businessmen are allowed to deal in a small amount of major merchandise or in knitwear, cotton goods and garments that need no coupons. In addition to their major business items, households engaging in other kinds of trade should also be permitted to concurrently deal in two or three business items run by other households. So far as business forms are concerned, households engaging in individual handicraft industry are allowed to market the products they produced.

In developing individually-run industry and commerce in rural areas, trades should be developed in line with the needs of the rural markets. Individual businessmen and pedlars in rural areas should be encouraged to transport for sale the agricultural and sideline products that are permitted to be

put on the market from rural areas whose state unified and assigned targets have been fulfilled. Individual businessmen and pedlars in rural areas are also allowed to carry back industrial products in the third category from urban areas and market these products at rural trade fairs. They are also permitted to individually run hotels in out-of-the-way areas. After approval by the industrial and commercial administrative departments, households engaging in individual industry and commerce in rural areas are allowed to employ assistants and apprentices.

CSO: 4006/193

ECONOMIC PLANNING

BRIEFS

HUNAN MEETING ON TASKS--The provincial government held a provincial telephone conference on industry and communications on the afternoon of 8 January, to mobilize the cadres and workers to get a good grasp of production in the first quarter. They should lay the foundation and seize the initiative in fulfilling the year's target of ensuring a 4 percent increase and striving for 5 percent. Leading comrades of the provincial CPC Committee and government attended and spoke. The conference demanded that the province make new progress in all work on the industry and communications front in the new year. It is necessary to continue to implement the readjustment principle, persistently center work on improving economic results, and strive to make total industrial output value break through the 20 billion yuan mark this year, with relatively great progress in all economic indices. The first quarter is the key to achieving steady growth throughout the year. Total output value during this quarter should amount to 24 percent of the year's quota and show a rise of 9 percent over the corresponding period of last year. Output of most products should reach about 25 percent of the year's quotas. Profit delivery to the state should amount to over 24 percent of the year's quota. In order to achieve these targets, leaders at all levels must do a sound job in organizing production before and after the spring festival. [Excerpts] [HK090426 Changsha Hunan Provincial Service in Mandarin 2310 GMT 8 Jan 83]

CSO: 4006/193

## AGGREGATE ECONOMIC DATA

### HUBEI IMPROVES INDUSTRIAL PERFORMANCE

HK090327 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 8 Jan 83

[Excerpts] A communique issued by the provincial Statistics Bureau on 7 January showed that Hubei's industrial production recorded great growth in 1982, with a notable improvement in economic results. Total output value was 27.8 billion yuan, a rise of 10.2 percent over 1981. This exceeded the provincial CPC Committee's demand to guarantee a 6 percent increase and strive for 7 or 8 percent. The profit delivery quota was overfulfilled.

Last year the province's industry and communications departments launched all-round enterprises consolidation centered on improving economic results, further perfected the economic responsibility systems and thus promoted healthy development of production.

Light industry increased its output value by 6.6 percent over 1981, on the basis of a 20 percent growth over the previous 3 years. The heavy industry enterprises paid attention to readjusting their service orientation, and worked hard to change their product mix and gear their output to the international and domestic markets. Their production rose rapidly from its decline, and total output value increased by 14.2 percent over 1981.

With energy supplies rather tight, the province took the initiative to increase coal output and worked to change the energy mix by increasing hydroelectricity output. The province's linear energy output rose by 9.9 percent over 1981.

Big increases were also recorded in communications and transport. Passenger and freight transport respectively increased by 13 percent and 12.9 percent over the previous year.

CSO: 4006/193

## AGGREGATE ECONOMIC DATA

### HEBEI INDUSTRY FULFILLS PRODUCTION TARGET

HK111033 Shijiazhuang HEBEI RIBAO in Chinese 2 Jan 83 p 1

[*"Provincial Economics Committee Report: " "Hebei's Industrial Production Fulfills Target of Ensuring 4 Percent Increase and Striving for 5 Percent"*]

[Text] In 1982, as a result of continuous implementation of the policy of "readjustment, restructuring, reorganization and upgrading" and taking raising economic returns as the central task, Hebei's industrial production fulfilled the target of "ensuring a 4 percent increase and striving for 5 percent." Communications and transport overfulfilled the annual plan. Light industry registered an increase of 4.9 percent and heavy industry, an increase of 6 percent. By the end of November, the total labor productivity had been raised by 2.6 percent and constant costs had been reduced by 1.4 percent. The quality of most products had been improved and the consumption of main raw materials, fuel and power reduced.

In 1982, 184 provincial products, 47 more than 1981, were chosen as high-quality products in our province. In Shijiazhuang, according to statistics up to November, the output value of the high-quality products made up 25.1 percent of this city's total industrial output value and the profits made up 38 percent of the total profits. From January to November, the provincial metallurgical industrial departments had increased their profits by 12.89 percent over 1981, and at the same time, the constant costs were reduced by 3.82 percent and the profit rate of output value increased by 3.26 percent. The profits they turned over to the state increased by 10.16 percent. In the whole province, prominence has been given to 13 trades, 46 main products and 72 targets of reducing consumption of energy resources. At the same time, some small enterprises which produced low-quality products at high energy consumption and which had long suffered losses were closed.

CSO: 4006/193

## AGGREGATE ECONOMIC DATA

### YUNNAN INCREASES INDUSTRIAL PRODUCTION

HK110625 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 10 Jan 83

[Text] Under the guidance of the readjustment principle, last year our province scored better than expected achievements in its industrial production. According to the plan, the province was to increase its industrial production by 4.5 to 5 percent, but the total industrial output value actually achieved amounted to more than 7.96 billion yuan, which was an increase of 12.39 percent over the year before. The planned target of profit and taxes handed over to the state was 100 million yuan net increase over the figure of the year before, but by the end of November last year, the increase amounted to more than 220 million yuan in great excess of the target.

There were a few remarkable characteristics in the good achievements of our province's industrial production.

1. From the upper to the lower levels, all people have corrected their guiding ideology and paid attention to economic results. Most of the enterprises paid attention both to the output value and quality of their products, and to improving the quality and marketability of their products and increasing varieties. More than 80 percent of the province's products consistently meet the quality standards for them and continue to improve. More than 749 new products and more than 2,660 kinds of new varieties and patterns of the original products were developed. They paid attention to organizing production in accordance with demand.
2. The increase of production was universal in the province. This was a good situation rarely seen in the past few years. The industrial production of all the 17 prefectures and municipalities achieved an increase. So did 17 of the 18 provincial departments. Both the state-owned and collective enterprises and the provincial, prefectoral and county enterprises increased their production.
3. Light industry continued to grow and heavy industry rebounded relatively quickly. Last year, the province achieved 3.97 billion yuan of light industrial output value, which was a 14.5 percent increase over the year before. It achieved 3.98 billion yuan of heavy industrial output value, which was a 10.34 percent increase over the year before.

4. Energy production overfulfilled the state target and basically guaranteed the needs of the development of the national economy.

5. The provincial CPC Committee and people's government strengthened their leadership over and paid close attention to enterprise reorganization and the industrial enterprises, conscientiously implemented the policy of readjustment, carried out enterprise reorganization and scored abundant achievements.

CSO: 4006/193

## AGGREGATE ECONOMIC DATA

### BRIEFS

GUANGDONG INDUSTRIAL PRODUCTION INCREASES--According to the statistics compiled by the provincial Statistical Bureau, industrial production in our province last year continued to maintain a speed of relatively rapid development. On the premise of raising economic results, the total industrial output value was 8.1 percent more than in the preceding year and the state annual quota was overfulfilled by 1.1 percent. The characteristics of industrial production last year were: First, all-round steady and balanced development. Except for October when industrial output was the same as that in October in the preceding year, industrial output of every month in the whole year reached the highest level of that in the corresponding period in the previous years. Second, light industrial products which were needed in people's livelihood quickly developed and the supplies of commodities in the market gradually became sufficient. Third, the service orientation of heavy industry and product mix were improved and the speed of development was accelerated. Fourth, the quality of some 80 percent of industrial products throughout the province last year was definitely better than in the preceding year, the consumption of labor in the majority of enterprises was reduced and labor efficiency increased. [Text] [HK120903 Guangzhou Guangdong Provincial Service in Mandarin 2350 GMT 10 Jan 83]

HENAN REVENUE--By the middle of December, Henan Province had overfulfilled its annual quota for industrial and commercial taxes by 2.83 percent, 10 days ahead of schedule. The amount of industrial and commercial taxes received in this period was 2,796,540,000 yuan and was 4.23 percent more than in the corresponding period last year. According to statistics, taxes on cigarettes, wine, paper, daily use machinery, commerce, communications and transport were 2.27 percent more than in the corresponding period last year. [HK101536 Zhengzhou Henan Provincial Service in Mandarin 1100 GMT 31 Dec 82]

SICHUAN BOOSTS INDUSTRIAL OUTPUT--According to SICHUAN RIBAO, the workers on the province's industry and communications front have seriously implemented the principle of readjustment, restructuring, reorganization and upgrading and vigorously grasped various measures to increase production and practice economy, centered on improving economic results. As a result industrial production rose steadily in 1982 and there was increased output and income. According to the latest statistics, total output value was

30.1 billion yuan, greatly exceeding the original plan and showing a rise of 9.3 percent over 1981. Output of 67 out of 100 major products increased compared with 1981. The increase in sales income of the enterprises exceeded the growth of total industrial output value, and the increase in rate of profit deliveries to the state exceeded the rise in rate of actual profits. [Excerpt] [HK090311 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 8 Jan 83]

TAIYUAN INDUSTRIAL OUTPUT--By 10 December Taiyuan Municipality had overfulfilled its 1982 plan for gross output value of industrial production, amounting to 3.824 billion yuan. This is 100.27 percent of the annual plan of 3.813 billion yuan and also an increase of 13.66 percent over the same period of last year. The situation of this city's industry this year has the following characteristics: 1) A steady increase in production month by month and season by season; 2) better economic results over last year; 3) new development made to technical transformation of enterprises; and 4) smooth development of enterprise consolidation. Based on this achievement, workers on the industrial and communications fronts of the city are resolved to guarantee 7 percent but strive for 8 percent growth of gross output value in 1983. [Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 13 Dec 82]

GUANGDONG INDUSTRIAL PRODUCTION--Since the beginning of the year, enterprises in the province have continued to carry out the policy of enterprise consolidation and the policy of opening to the outside world and enlivening internal economy. As a result, industrial production has seen a sustained and steady increase and economic results have been considerably raised. This year, the province has set a new high in the total output value of industrial production in every month, with the total output value amounting to 24.4 billion yuan by the end of November, an increase of 8.5 percent compared with the corresponding period last year. State-run industrial enterprises achieved an increase of over 9 percent in profits and sale tax of products by the end of October, compared with the corresponding period last year. There has also been an increase in other economic and technical indexes. Schedules have been fulfilled and overfulfilled in most of the principal industrial products and the yearly production task has been fulfilled 1 month in advance in nearly half of the principal products. The growth rate of light industrial production is 9 percent and that of the heavy industrial production over 7 percent. [HK141250 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 12 Dec 82]

CSO: 4006/193

ECONOMIC MANAGEMENT

HEILONGJIANG SETS UP TWO INTEGRATED TEXTILE ENTERPRISES

Harbin HEILONGJIANG RIBAO in Chinese 12 Oct 82 p 1

[News article by Jin Guojun [7246 0948 0689], Heilongjiang Ribao reporter:  
"Our Province Establishes Two Integrated Textile Enterprises"]

[Text] Assisted by the Heilongjiang Provincial Textile Industry Company, the Harbin Textile Printing and Dyeing Mill and the International Trust and Investment Company of China entered a joint management agreement on 8 October. Prior to this, the company had also agreed with the Anda Woolen Textile Mill for joint management. The International Trust and Investment Company of China agrees to finance 40 percent of the investment and loans of each of these two mills to cover the shortage of funds for plant construction.

These two textile mills which are the key construction projects of Heilongjiang require over 200 million yuan of investment. Due to lack of funds, the construction has fallen behind schedule since it began in 1981. The Provincial Textile Industry Company tried to look for a "Financier," and finally won the support of the International Trust and Investment Company of China. On 8 October, Wu Ketai, [0702 0344 3141] vice-manager of the operations department of the International Trust and Investment Company of China, flew to Harbin to sign a joint management contract with the Harbin Textile Printing and Dyeing Mill, and attended the first board meeting of the Joint Anda Woolen Textile Company which examined the progress of the capital construction and passed the charter and contract of the jointly managed company. The contracts of both jointly managed companies provide that the board of directors of each shall include directors appointed by both parties. In addition to its investment, the International Trust and Investment Company of China shall be responsible to import from abroad advanced technology and equipment, and export part of the products. They share profit and losses in proportion to their respective investments. Wei Yun [7614 0061], manager of the Provincial Textile Company, says, with funds for plant construction assured by joint management with the International Trust and Investment of China, these two large-scale modernized and technologically advanced textile enterprises will be able to start producing in 1984-1985 as scheduled. This is an important step conducive to the development of the wool and chemical fiber resources of Heilongjiang, and to transform its backward textile industry which produces only limited varieties and grades of products.

The provincial party committee and the provincial government think very highly of these two jointly managed enterprises. Chen Jianfei [7115 0494 7378], secretary of the provincial party committee and vice-governor of Heilongjiang received Wu Ketai, vice-manager of operations of the International Trust and Investment of China, and the members of the board of directors of the Anda Woolen Textile Mill on the evening of 10 August, urging both parties to observe the terms of the contract and speed up the construction of mills so as to vitalize the textile industry of the province.

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CSO: 4006/160

ECONOMIC MANAGEMENT

SHANGHAI RAILWAY TO TRY NEW ECONOMIC SYSTEM

OW011148 Beijing XINHUA in English 1119 GMT 1 Jan 83

[Text] Beijing, 1 January (XINHUA)--The Shanghai Railway administration launched today a 3-year experimental economic system that requires each of its 387 subdivisions--stations, depots, maintenance and repair works of locomotives and railway cars, etc--and each of its 144,000 staff members to be responsible for the overall profit and other economic norms.

This economic responsibility system will, said a spokesman for the Ministry of Railways, be tried out across the country if the experiment proves to be successful at the Shanghai Railway administration. The Shanghai authority administers 2,400 kilometers of railways in an area that embraces the Shanghai Municipality and the bulk of Zhejiang, Jiangsu and Anhui Provinces.

There are 19 railway administrations under the ministry, with a total of 52,400 kilometers of railways.

For bonuses, said the spokesman, each worker will have to complete the specific tasks assigned to him for fulfilment of the overall annual profit quotas, cargo and passenger transport goals and other norms.

The better the workers work, the more bonuses they will get, said the spokesman. But the yearly amount of bonuses for the entire administration will not exceed 3 months' average wage for the staff.

The administration will be obliged to turn over to the ministry an amount of profit every year from 1983 to 1985. The base figure is fixed at 200 million yuan, which is expected to increase at an annual progressive rate of five percent. Each subdivision will contribute a portion to this total and retain whatever is left beyond that to upgrade its equipment, improve fringe benefits for staff and award advanced workers.

But the portion to be retained will be cut 0.2 percent whenever an accident classified as "extremely serious" or "serious" happens, the spokesman said.

China is trying to improve industrial efficiency by instituting, on an experimental basis, this and other systems to encourage worker initiative.

In 1982, said the spokesman for the Ministry of Railways, the Shanghai administration was designated to experiment with a system enabling each subdivision to retain a prefixed percentage of the profit beyond the portion handed over to the state.

The experiment was a success, he said, and now it is time to try out something still more advanced.

CSO: 4020/42

## ECONOMIC MANAGEMENT

### BEIJING SHOPS PRACTICE RESPONSIBILITY SYSTEM

OW071324 Beijing XINHUA in English 1107 GMT 7 Jan 83

[Text] Beijing, 7 January (XINHUA)--About 400 shops, department stores and service establishments along Beijing's Qianmen and Xidan Streets, two of the city's biggest business thoroughfares, are scheduled to change their management systems, according to municipal authorities.

As pilot projects to be implemented in the near future, these establishments will practice a "business responsibility system" in which rewards of the staff will be linked to the volume of transactions and the income of shops and service establishments. Two vice mayors are appointed to supervise this work.

In the past, employees of shops and service establishments in urban areas have received their regular wages irrespective of business situations of the shops and units they belong to. Municipal authorities expect that the new management system, which aims at improving service standard and boosting trade, will end the situation of the so-called "sharing of food from the same big pot (equalitarianism)."

There are a number of large shops, department stores, hotels and restaurants along Qianmen and Xidan Streets, which are well known to both Chinese and foreign residents here. The implementation of new management system will provide fresh experience to other commercial enterprises, the officials predicted.

The forms of new management system vary according to the different conditions of enterprises concerned, municipal authorities said. These arrangements include:

--Fixing quotas for profits and letting enterprises dispose of all the additional profits;

--having small shops hand in only income taxes, leaving them responsible for their own profits or losses; and

--contracting with employees to share profits remaining after handing in profits stipulated in the contracts.

The institution of new management systems has been carefully prepared. Some enterprises will begin to practice the new system this month; the latest will go into effect in May of this year.

Various forms of responsibility systems--making use of incentives and initiative--have been practiced successfully in China's rural areas in the past 3 years.

CSO: 4020/43

LIAONING CONSOLIDATES LEADERSHIP OF 82 ENTERPRISES

OW250942 Beijing XINHUA Domestic Service in Chinese 0244 GMT 18 Dec 82

[Text] Shenyang, 18 Dec (XINHUA)--Liaoning Province has swiftly consolidated the leading bodies of its 82 large and medium-sized key enterprises with good results.

After consolidation, the number of leading cadres of these enterprises has been reduced from 935 to 590. On average, the number of leading cadres of each enterprise decreased from 11.4 persons to 7.2 persons. The ratio of middle-aged and young cadres in the leading bodies rose from 31 percent to 57 percent while that of leading cadres with an educational level of senior middle school or higher from 45 percent to 59 percent. Both the average age and educational level of these leading bodies have undergone a big change.

These enterprises play a pivotal role in Liaoning. Their combined output value accounts for over 50 percent of the province's planned total industrial output value while the profits they make account for about 90 percent of the total profits made by all Liaoning's enterprises.

In the course of consolidation of the leading bodies of these enterprises, the Liaoning Provincial CPC Committee and people's government consistently attached prime importance to solving ideological problems. They helped leading cadres at all levels in overcoming various ideas such as that it was difficult to select new cadres, to deal with veteran cadres and to meet the requirement set for the new leading bodies, and that they were reluctant to offend people. Firmly resolved, the provincial CPC Committee members and leaders at all levels personally handled the matter to overcome extreme difficulties.

For instance, while consolidation of the leading body of the Anshan Iron and Steel Company was underway, Shen Yue, secretary of the Liaoning Provincial CPC Committee, and Li Dongye, minister of metallurgical industry, both did ideological work among the company's leading cadres to dispell their apprehensions and helped them solve practical problems. Consolidation was thus quite speedy as a result, the number of managers and deputy managers has been reduced from 19 to 8; those aged 55 or below account for four-fifths of the total; and the ratio of those with technical position titles rose from 47 percent to 62 percent.

The provincial CPC Committee held several meetings to organize leading cadres to study the party Central Committee's documents and exchange experience of some enterprises in consolidating leading bodies. Thus, with their understanding improved and determination increased, the task of consolidation went on more smoothly. In some enterprises, the change-over between old and new leading cadres was touchingly characterized by close cooperation.

Solving the problem of dismissing and retaining incumbent cadres and introducing new ones in the leading body, many enterprises simultaneously used the following methods. Evaluations by higher levels, surveys of the opinions of the masses, recommendations by people in the same line of work and solicitation of opinions of middle-level cadres, engineering and technical personnel and representatives of the workers and staff. In this way, the newly-elected leading cadres meet the requirement of "being more revolutionary, younger in average age, better educated and professionally more competent" and at the same time are more popular. In some enterprises where a sound basis and favorable conditions existed, leading cadres were directly elected by representatives of the workers and staff. This experimental method also produced good results.

While reviewing and deciding on the members of leading bodies, Liaoning's leading departments at all levels carried out the work on the spot together with both higher and lower levels and made decisions once and for all. Compared with the past time-consuming complicated red tape which involved all echelons making reports to their higher levels, the current methods proved much more efficient. For instance, in Shenyang, the Shenyang Municipal CPC Committee's organizational department and the municipal Economic Committee's leading party group formed a joint review and evaluation group and held a joint meeting, presided over by a secretary in charge and attended by responsible persons, of municipal and related units, which decided on the composition of leading bodies of eight enterprises at one stroke.

CSO: 4005/193

ECONOMIC MANAGEMENT

RESPONSIBILITY SYSTEM PROVES WORTH

SK160705 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 15 Jan 83

[Text] According to our correspondent, the No 2 Hohhot state-run watch and clock plant has taken on a new look thanks to the institution of the system of assuming sole responsibility for its profits or losses and the system of contracting work quotas to each level. This plant had long been running in the red. From 1979, the losses reached 6.5 million yuan. Last year the higher authorities decided to implement the system of the plant assuming sole responsibility for its profits or losses. The workers of this plant maintained that now that peasants can become prosperous through contracting, we workers can also vitalize our plant through contracting.

Last year, the plant implemented the contracting system at each level and made every person involved with the cost and profit targets. It was stipulated: Whoever fulfills the contracting quota can get a certain portion of the reduced cost as his bonus. Those who fail to reduce cost, although they have fulfilled other work quotas, should not be issued bonuses. If the cost surpasses the assigned quotas, the cadres at the plant level should have their wages reduced by 10 percent, the cadres at the section level by 7 percent and the workers by 5 percent.

With the implementation of this responsibility system, the initiative of workers and staff members has been fired. Last year the plant set record highs in all economic and technical targets. Compared with the previous year, total industrial output value increased by 52 percent, production volume increased by 57 percent, the rate of top quality products increased by 20 percent and profits increased by 249-fold [as heard]. In the past year, the plant used part of their profits to build a [words indistinct]. The plant workers pledged to carry out technical transformation to make more contributions to the state.

CSO: 4006/193

ECONOMIC MANAGEMENT

BEIJING MUNICIPALITY TO RESTRUCTURE ENTERPRISES

OW110535 Beijing XINHUA Domestic Service in Chinese 1531 GMT 8 Jan 83

[Text] Beijing, 8 Jan (XINHUA)--A decision has been made recently by the Beijing Municipal CPC Committee and the Beijing municipal government to carry out different enterprise restructuring policies according to the types of enterprises, beginning this year, so as to actively and steadily speed up the process of restructuring the economic system.

Beijing Municipality made this decision after summarizing the experiences over the past few years in restructuring the economy. The purpose of restructuring is to break through the confines of egalitarianism as manifested by such ideas as "the common big pot" and "the iron rice bowl" and to really attain the goal of more pay for more work, less pay for less work and no pay if no work is performed. The essential points of the restructuring policies are as follows:

--For a few selected large enterprises, an increasing profit responsibility system is implemented in the same way as that of the Shoudu Iron and Steel Company. In this system the highest actual annual profit or the average planned annual profit in the last 2 years, as suited to the enterprise concerned, is taken as a base profit figure. The profit to be turned over to the state is based on this figure and is increased yearly at a fixed rate which remains unchanged for several years. The profit provided by the enterprises under this responsibility system constitutes part of the total profit that the municipality turns over to the state. In the event such total profit exceeds the preset target, the enterprises concerned may keep a certain percentage of the profit according to the relevant regulations of the financial department.

--More enterprises are selected as experimental units for the system of paying tax instead of providing profits to the state, and for undertaking responsibility for their own profits and losses. The number of enterprises under this experimental system will be increased from 10 to approximately 30. The enterprises selected for this purpose must meet three requirements: Be a capable leading body, perform good fundamental managerial work and have marketable products.

--A profit responsibility system is instituted for small state-operated enterprises whose annual profits turned over to the state are below 200,000 yuan. In this system a base figure of state profit is determined according to the enterprise's situation. If the actual profit exceeds this base figure, the amount in excess is retained by the enterprise. If the actual profit is less than the base figure, the enterprise must make up the difference with its own funds. The base figure is fixed for 3 years.

--The number of experimental enterprises for changing the wage system is increased. In light of what has been done at the Beijing optical instruments plant, 10 small and medium-sized enterprises with adequate conditions will be selected to institute a floating wage system.

During the past 3 years since 1980, a number of enterprises in Beijing Municipality have appreciably raised their economic benefits as a result of economic restructuring. With the institution of the increasing profit responsibility system, the Shoudu Iron and Steel Company's 1982 profit was 20 percent more than 1981 and double the profit for 1978, the year preceding the restructuring of the economic system. The Qinhe woolen textile mill and the other nine enterprises in Beijing practicing the experimental system of paying tax instead of providing profits to the state and of undertaking the responsibility for their own profits and losses have all scored higher growth rates of output values and profits than the average records registered by enterprises in the municipality. The state's receipts from these enterprises have grown by 26.2 percent compared with 1979, the year before this experimental system. It has been the opinion of the Beijing Municipal CPC Committee and the Beijing municipal government that, as proved by practice, restructuring the economic system is a major guarantee for improving economic results in an all-round way and creating a new situation of socialist modernization in the capital. They have thus decided to take further steps to speed up the process of restructuring the economic system in industrial enterprises.

CSO: 4006/193

ECONOMIC MANAGEMENT

SHOUDU COMPANY DISCIPLINES PLANT LEADERS

HK071548 Beijing GUANGMING RIBAO in Chinese 28 Dec 82 p 2

["Newsletter" by reporters Dong Kegong [5516 0344 1872] and Zhang Zhongwen [1728 1813 2429]: "Authority Does Not Prevent Punishment--Fourth in a Series of Reports on the Shoudu Iron and Steel Company"]

[Text] On 29 September this year, at a meeting to examine and sum up the economic responsibility system practiced in the Shoudu Iron and Steel Company, the leaders of the company, after commanding some advanced collectives and individuals, announced the company's decision to take disciplinary actions against some comrades from the sintering plant. The deputy director of the plant (an engineer) who was in charge of production was dismissed from his posts inside and outside the party. The director of a workshop (an engineer) was given a disciplinary warning. The secretary of the plant party committee (a technician) and the director of the plant (an engineer) were criticized in a circular notice. The announcement of the decision produced strong repercussions in the Shoudu Iron and Steel Company.

The cause of the punishments was as follows: In July and August this year, the sintering plant onesidedly sought better economic results for its own plant by refusing to implement relevant quality stipulations of the economic responsibility system. The result was that there was a drop in sintering quality and the output of pig iron by blast furnace, thus adversely affecting the fulfillment of the task for increasing the profit of the whole plant in July and August.

We interviewed Comrade Geng Tiesheng, the vice secretary who presided over the work of the sintering plant party committee. He said: With respect to this incident, the plant party committee had not imagined that it would be handled in this way. We thought that it would be alright for the plant party committee to make a self-criticism. However, the company party committee did not approve of this and gave the following instructions: Do not take on everything. It is necessary to make a thorough investigation and let those who were responsible for it to hold the responsibility.

In accordance with the instruction of the company party committee, the plant party committee held a Standing Committee meeting on several occasions to examine the incident from the angle of practicing the economic responsibility system and to understand it from the high plane of the party's cause.

Viewed from the angle of the responsibility system, the fact that attention was paid only to the economic results of this plant to the neglect of the economic results of the whole company showed that the plant did not have sufficiently correct guiding ideology in practicing the responsibility system. The fact that the plant failed to promptly put a stop to the damage to quality that repeatedly occurred in July and August at the No 2 sintering workshop showed that there were some problems in the management of the plant. It was a rainy season in July and August. However, the plant failed to adopt emergency measures. This showed that the plant did not perform its duty in organizing production. The emergence of these problems was inseparable from the failure of the party committee in playing its supervisory and guaranteeing role. Then, as a vice secretary who presided over the work of the plant party committee, he did not fulfill his duty. Geng Tiesheng said: The economic responsibility system judges our work as a ruler does. Like a mirror, it has brought to light our problems. We should not simply notice that we come to work early and leave work late without caring about Sunday. Even if we work harder, we ought to be punished if we fail to practice the economic responsibility system in an all-round way.

Geng Tiesheng also thought about the process of his growth. He was a technician, graduated from a technical secondary school in 1964. He was only 38. In August last year, proceeding from the party's cause, the company party committee appointed him vice secretary of the ironworks and, in February this year, again transferred him to the sintering plant, which had more than 1,700 people, to preside over the work of its party committee. It can be said that the company party committee boldly employed him and gave him power. The company party committee also commended him for his work on several occasions. He also passed on his experience. Why should he not be punished if he committed an error? If we proceed from the party's cause, a credit is a credit, an error is an error and an error cannot be atoned for by a credit; authority is authority, a punishment is a punishment, and authority does not prevent punishment. However, this absolutely does not mean that no opportunity will be granted. It is still necessary to give them suitable jobs. The two comrades in our plant who were dismissed of their posts are still doing technical work.

When the plant party committee unified their understanding, all of them had peace of mind. Not only did they repeatedly talk in the entire plant about the significance of the company's punishment, but they also published the punishment decision on the notice board. Geng Tiesheng and the director of the plant proposed of their own accord that their bonuses be suspended.

The punishments educated the party. From February to August this year, the plant invariably failed to fulfill the targets set for the quality for first grade products stipulated in the economic responsibility system; after the punishments, the plant topped the quotas month after month.

CSO: 4006/193

## FINANCE AND BANKING

### THREE HUNDRED MILLION YUAN IN SUBSIDIES TAGGED FOR CITIZENRY

Tianjin TIANJIN RIBAO in Chinese 18 Oct 82 p 1

[Article: "The State and the City Government Put up 300 Million Yuan to Enhance Peoples' Livelihood"]

[Text] According to information obtained from the Tianjin Municipal Department of Finance, the state and the Tianjin Municipal People's Government spent more than 319.763 million yuan in the first 9 months this year to subsidize the living expenses of the people of Tianjin.

To provide funds to subsidize the people of Tianjin to cover the difference between the procurement and retail prices of their daily necessities in order to keep the local market price basically stable is an important measure adopted by the state and the Municipal People's Government of Tianjin to look after the livelihood of the people of the whole city. The state spent over 160 million yuan from January to September this year to subsidize the people to cover the difference between the procurement and retail prices of such daily necessities as grain, cotton goods, edible oil and coal. In addition, the Tianjin Municipal People's Government spent 86.59 million yuan to subsidize the people to cover the price differentials of such daily necessities as meat, eggs, fowl and vegetables. The state subsidize 19 cents for each jin of soybean consumed by the local people, and 75 cents for each jin of soybean oil consumed. When the Tianjin Oil and Fat Company supplied two more jin of vegetable oil to each city resident this month (October), the state and the Tianjin Municipal People's Government together paid 4.2 million yuan in subsidy. The Municipal People's Government subsidizes 21.67 cents for each jin of pork consumed by the city residents, and 42.67 cents for each jin of fresh eggs consumed. The people of Tianjin consumed in the first 9 months this year over 949 million jin of vegetables for which the Municipal People's Government paid 16.16 million yuan in subsidies.

To provide rent subsidies and funds for residential repairs in order to provide low-rent housing is another important measure adopted by the state and the Tianjin Municipal People's Government to look after the livelihood of the people of the whole city. In the first 9 months this year, 44,000 households in Tianjin received rent subsidies, a total of 1.53 million yuan. The city residents of Tianjin pay the housing authority 22.5 cents

for each square meter of residential space, not even enough to cover repair and maintenance costs. The state had to spend 37.265 million yuan to repair and maintain the residential houses so as to improve the living conditions of those residents who live in old houses.

Free medical services are extended to more than one million cadres, staff and workers. The government pays 50 percent of the medical expenses incurred by the dependents of cadres, staff and workers. The personal medical expenses of the cadres of the administrative units in the first 9 months this year were over 10 million yuan, which the state paid for them. To ease the financial burden of the people, the Municipal People's Government pays each employee who lives too far away from the unit where he works 2.82 yuan per person per month to help buy monthly streetcar or bus tickets from the streetcar and motor vehicle transport company. The monthly tickets from January to September cost the Municipal People's Government 6.92 million yuan. It has paid the municipal streetcar and motor vehicle company to run 6 new bus routes for those employees who live in newly developed residential areas to get to work and return home. It also subsidizes coal delivery men who deliver coal to residents who live in highrise buildings.

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CSO: 4006/160

FINANCE AND BANKING

BRIEFS

BANK DEPOSITS' INCREASE--Beijing, 10 Jan (XINHUA)--China's population of more than 1 billion averaged 67 yuan of bank savings per person at the end of 1982, 14 yuan more than the corresponding 1981 figure, according to the People's Bank of China and other banks. The total urban and rural bank deposits at the end of 1982 was 67,538 million yuan, an all-time record and up 28.97 percent over 1981. [Text] [Beijing XINHUA in English 1600 GMT 10 Jan 83 OW]

RURAL SAVINGS RECORD--Beijing, 14 Jan (XINHUA)--China's rural population of more than 800 million now averages 34.1 yuan of bank savings per person, an 8.44 yuan increase over 1981, according to the national conference held by the Agricultural Bank of China. Preliminary statistics released at the meeting now in session in Beijing indicated that, by the end of last December, the total rural savings deposits reached a record 28.2 billion yuan, up 33 percent over 1981. Of the amount, 81 percent is in credit cooperatives. The meeting was told that 70.2 percent of the rural bank savings constitute fixed deposits, since peasants have more money at their disposal with the adoption of diverse forms of the agricultural responsibility system, under which payment is reckoned according to output. Rural savings deposits have now recorded yearly increases of more than 7 billion yuan in each of the last 3 years. Shandong, one of China's major cotton growing provinces, last year registered record rural savings deposits of 3.22 billion yuan, compared to 779.6 million yuan in 1978. The 66.12 million rural residents average 47.8 yuan per person, 11.17 yuan more than the previous year. The province purchased 887,500 tons of cotton from growers' families, teams and brigades in 1982. [Beijing XINHUA in English 1109 GMT 14 Jan 83 OW]

CSO: 4020/42

## MINERAL RESOURCES

### BRIEFS

NINGXIA GYPSUM DEPOSIT--Yinchuan, 26 December (XINHUA)--A new gypsum deposit has been discovered in Tongxin County, Ningxia Hui autonomous region, on the heels of an earlier find in the same region, according to the regional geological bureau. More than two billion tons of gypsum reserves have already been verified. The seam is thick and near the earth surface, making it suitable for strip mining. Gypsum is widely used in the building, chemical, textile and optical industries, agriculture and medicine. Geological prospecting for gypsum has been carried out in recent years in Ningxia region, an area richly endowed with gypsum resources. Large deposits have also been found in nearby Zhongwei County, in addition to the one in Tongxin County. [Text] [Beijing XINHUA in English 1107 GMT 26 Dec 82 OW]

NEW GOLD DEPOSITS--Beijing, 2 January (XINHUA)--Six new gold deposits have been discovered in Heilongjiang, Shaanxi and Hunan Provinces in 1982 by People's Liberation Army geological prospecting units. Four of the deposits are located in the Da Hinggan and Xiao Hinggan mountains of Heilongjiang Province, one in Shaanxi Province and one in the bed of the Miluo River in Hunan Province. The reserves are estimated to be large, the quality high-grade and the deposits can be easily mined. [Text] [Beijing XINHUA in English 0712 GMT 2 Jan 83 OW]

CSO: 4020/42

INDUSTRY

SOVIET-BUILT AUTO PLANT TURNS OUT NEW MODEL

OW050810 Beijing XINHUA in English 0751 GMT 5 Jan 83

[Text] Changchun, 5 January (XINHUA)--A new oil-efficient model five-ton truck began to roll off the assembly line at the Changchun No 1 motor vehicle plant just as the New Year started, factory officials here report.

The vehicle is equipped with a 115-horsepower engine and designed to consume 5.3 liters of oil per "100 ton-kilometer" (the amount of oil consumed by one truck carrying a load of one ton after running 100 kilometers). A good climber, the new model can be equipped with an optional heating system and radio.

The Changchun No 1 motor vehicle plant was built with Soviet assistance and went into operation in 1956. Its main products over the years have been the 4-ton and 4.5-ton "Jiefang" (liberation) trucks based on Soviet models. The engines were 95 horsepower and oil consumption was 7.25 liters per 100 ton-kilometer.

Manufacture of the new model is part of the technical transformation project aimed at raising products to international standards. The project, scheduled for completion in 1985, is expected to turnout 15 types of vehicles including five-ton, six-ton and nine-ton trucks, cross-country vehicles, cars and tourist buses.

The new model has proved to be a hot item, according to the factory. The plant has received orders for 50,000, meeting the target for 1983, and an additional 25,000 were ordered beyond the plan.

CSO: 4010/34

INDUSTRY

JIANGSU CITY HAILED AS TECHNOLOGICAL MODEL

OW040932 Beijing XINHUA in English 0717 GMT 4 Dec 82

[Text] Beijing, 4 December (XINHUA)--Changzhou, a city in Jiangsu Province which was traditionally a producer of peach wood combs, has become a national model in technological progress, according to the state commission for restructuring the economic system.

The commission recently called on industrial centers nationwide to model themselves after Changzhou in restructuring their manufacturing system and getting improved economic results by relying on science and technology.

Changzhou, a 2,500-year-old city with a population of 500,000, has managed to increase industrial output 13 percent annually over the past 5 years, even though short of energy and natural resources. In the postliberation era, the city had only a few arts and crafts workshops, but now there are 418 big, medium-sized and small factories covering a full production range, including cotton, wool, silk and polyester textiles, printing and dyeing, machinery, chemicals, electronics and metallurgical products. The city manufactures 3,196 kinds of products, 196 of which are being exported.

The major reason for such rapid development is that producers have been constantly seeking new technology and reshaping enterprises to make them more responsive to market demands, the state commission for restructuring the economic system said. Changzhou leaders have also made stringent efforts to recruit scientific and technical personnel.

Production of diesel engines started in Changzhou in the 1960s. Over the past 20 years, 3,000 changes have been made in the manufacturing process, 550 special machines have been built to upgrade technology and 23 production lines set up. Now the combustion chamber of the Changzhou engine meets the standards of similar products made in Japan for all technical indices. Output value in 1981 for this industry reached 72 million yuan and productivity per worker averages 368 horsepower annually as against only 22 horsepower a few years ago.

Corduroy production has undergone major technical reforms since 1956 and such processes as electrostatic flocking and stretch flocking are now in use. Nine major types of corduroy are produced, with 150 specifications and 2,000 colors, shapes and patterns. Last year's output was 50 million meters, accounting for 6.4 percent of the city's total industrial output value.

Of the 159 best selling products manufactured in the city, 62 have been developed in recent years and of 35 major export commodities, 16 are new.

Every year, Changzhou factories trial produce some new products. Last year, the city began regular manufacture of 77 new products.

During the 10 years between 1971 and 1981, the city established close contacts with 140 universities, colleges and institutes in research and development of more than 300 new items. Of these 190 are in regular production.

The city had only 56 scientists and technicians in a workforce of 25,000 in the 1950s. Over the years, the city has recruited 1,200 more technicians from other localities and set up a number of technical schools and colleges to train technicians from among the young workers and middle school graduates. By the end of last year, Changzhou had 6,500 persons professionally qualified as senior technicians.

The state commission for restructuring the economic system sent out a call recently to the industrial cities and regions to work out plans for economic and social development on the basis of a thorough investigation of local natural conditions, energy supply and production and market requirements. City administrators were told to outline appropriate policies and principles to encourage technological development.

CSO: 4010/34

## INDUSTRY

### SICHUAN MEETING ON FIRST QUARTER INDUSTRY

HK170308 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 16 Dec 82

[Excerpts] The provincial government held a provincial telephone conference on industry and communications on 16 December to arrange industry and communications work between new year and spring festival. Vice Governor Meng Dongbo presided. Vice Governor He Haoju made a speech. The meeting demanded that industry and communications enterprises in the province further shift all work onto the track of focusing on improving economic results.

The meeting pointed out: The situation in Sichuan's industry and communications production is very good. The production level is continuing to rise steadily, and there has been further improvement in economic results. Total industrial output value in October showed a rise of 5 percent over September, and a further increase of 7 percent was recorded in November. The figure for the whole year is expected to show an increase of 8.2 percent over last year.

(Li Yantian), vice chairman of the provincial Economics Committee, spoke on how to organize industry and communications work in the first quarter of next year, and especially between new year and spring festival. He said: It is essential to get a good grasp of the following tasks:

- 1) Formulate all production plans and economic results indices, and strictly enforce assessment systems; 2) vigorously increase production of light industry products that sell well, to meet market needs; 3) allocate and use energy in a rational way and save energy, to ensure that light and heavy industry can both maintain a relatively good production level; 4) seriously grasp transport work and bring into full play the limited transport capacity; priority is to be given to transporting coal, goods for the spring festival markets, materials for spring farming, and raw materials urgently needed by industry; 5) get a good grasp of production safety and prevent major accidents.

CSO: 4006/193

INDUSTRY

SHOUDU STEEL COMPANY PROFITS FROM REFORMS

OW130723 Beijing XINHUA Domestic Service in Chinese 0050 GMT 11 Jan 83

[Text] Beijing, 11 Jan (XINHUA)--According to a dispatch by XINHUA reporter Xu Renzhong, the Shoudu Iron and Steel Company doubled its profit in 1982 as compared with 1978. More than half of this profit was reaped through technical innovations. This was because the reform of the economic system had added mighty wings to the company's technical innovations.

Since 1979 the Shoudu Iron and Steel Company has raised over 200 million yuan by itself for the development of more than 50 major technical innovations to save energy, combat pollution, develop production varieties and improve quality. Forty-seven of these technical innovations have been introduced in production, greatly improving economic results. In 1978, the company's constant energy consumption for producing 1 dun of steel was 1,247 kilograms of standard coal. During the first 3 quarters of 1982, this energy consumption had dropped to 974 kilograms, thus saving more than 1 million dun of coal per year.

There are many old and outmoded facilities in the Shoudu Iron and Steel Company, which has a history of more than 60 years. However, under the original management system, there was a very small amount of depreciation funds available for the renewal of fixed assets that the enterprise could retain for its own use. It would probably take 60 years to renew all equipment with such a small amount of depreciation funds. The Shoudu Iron and Steel Company's annual production value is over 1 billion yuan, but the manager of the company is only authorized to use 800 yuan on his own approval. Any technical innovation project which exceeds that amount must be reported to the higher authorities and state investments must be requested. Often many technical innovation projects fail to materialize because of the red tape encountered in submitting requests to the higher authorities and securing their approval. On the other hand, even if achievements are scored by means of technical innovations, the enterprise and individuals are unable to gain much economic benefit. All this has dampened the workers' enthusiasm and impeded the technical progress. In 1979, the Shoudu Iron and Steel Company carried out experiments in reforming the economic system and expanded its decision-making power. Since that time, the company has retained a certain percentage of its basic profits for its own use and, appropriated more depreciation funds, thus increasing the enterprise's strength in the development of technical innovations. The

situation has greatly changed, particularly since the implementation of the economic responsibility system in the company in 1981--a system which links one's duty and authority with benefits. The company makes sure that the task of developing technical innovations is implemented by each factory, mine, workshop and individual worker and links the achievements in technical innovations with workers' economic benefits. Keeping in mind the prerequisite of insuring an increase in state revenue, the better the technical innovations are, the greater will be the possibility for increasing the economic benefits of the enterprise and workers. This provides the enterprise with the motive force to consciously carry out technical innovations. The broad masses of workers and staff members have actively adopted new technology and used funds through careful planning and strict budgeting. They strive to invest less money to get a larger return. They have changed the situation in the past characterized by the saying that "investments are like bottomless holes, while the construction period is like a marathon" and have increased returns on investments. During the first half of 1982, the Shoudu Iron and Steel Company made use of the 13 million yuan which it had raised by itself to renovate the No 650 rolling mill. Its task was arduous and complicated. However, it only suspended production for 42 days before it completed the renovation and resumed production. This project alone helped the company increase revenue by 16 million yuan per year.

Gao Bocong, chief engineer in charge of technological affairs in the Shoudu Iron and Steel Company, told this reporter: The experience of the Shoudu Iron and Steel Company shows that only by resolutely reforming the unreasonable management system will it be possible to promote technical progress and liberate the productive forces. The Shoudu Iron and Steel Company has now worked out a 15-year plan for technical transformation, while working hard to improve its economic responsibility system.

CSO: 4006/193

INDUSTRY

INDUSTRY, COMMUNICATIONS TELEPHONE MEETING

HK130741 Guiyang Guizhou Provincial Service in Mandarin 1100 GMT 12 Jan 83

[Text] Yesterday evening, the provincial people's government held a telephone meeting on industrial and communications productions to sum up the work last year, and make arrangements for the work in the first quarter of this year and the production during the spring festival. The meeting called on the staff and workers on the industrial and communications fronts to conscientiously and satisfactorily develop production in the first year of the creation of an overall new situation in our socialist modernization in order to add new glory to our great cause.

Wang Chaowen, Zhang Yuhuan and other responsible comrades of the provincial people's government attended the telephone meeting. Comrade Zhang Yuhuan gave a speech.

The meeting pointed out that because we adhere to the principle of centering on raising economic results, continue to implement the eight-character principle, implement and perfect the economic responsibility system and carry out all-round reorganization of our enterprises and technical transformation in the existing enterprises, the situation in our industrial and communications continues to improve. Last December, we for the first time broke the barrier of 500 million yuan for our monthly output value. The total annual output value increased by 24.66 percent over the year before. The industrial and communications production throughout our province has embarked on a route of steady and healthy development.

The meeting is of the opinion that during the new year, we should not only see the achievements we have scored, but also the defects and difficulties in our work. The leading groups at all levels should be adapted to the development of the new situation. In doing our work in 1983, we should resolutely carry out the reform and pay close attention to raising economic results. We should further emancipate our minds and go a greater step forward in carrying out our reform. We should begin our further reform from the starting point of changing our ideological and political features in order to meet the demand of the new situation in the new year.

The meeting stressed that all the localities and departments should conscientiously pay attention to the production around the spring festival period. They should make good arrangements and management, pay attention

to developing production proportionately and be cautious. They should plan the amount of work for every work day and ensure that the average daily output value in the first quarter exceeds 18.5 million yuan. We should continue to maintain appropriate links between production, purchases and sales and satisfactorily arrange the supplies of raw materials and grasp conservation of energy. We should strengthen our work related to railway traffic, quicken the circulation of carriages and satisfactorily carry out the passenger freight work during the festival period and guarantee its safety.

The meeting pointed out that we should continue to satisfactorily carry out enterprise consolidation. The work of examining and testing the first batch of consolidated enterprises should be speeded up. We should pay particular attention to reorganizing the leading groups and implementing and perfecting the economic responsibility system.

Moreover, the meeting required that while carrying out enterprise consolidation, we must organize special teams to satisfactorily grasp production, improve our work style and methods and give play to the initiative of the staff and workers in order to make new contributions to the creation of the new situation in our industrial and communications production and add new glory to our great cause.

CSO: 4006/193

## CONSTRUCTION

### MAYOR VIEWS CITY CONSTRUCTION IN WORK REPORT

OW311216 Beijing XINHUA in English 1108 GMT 31 Dec 82

[Text] Shanghai, 31 December (XINHUA)--Shanghai, China's largest city, will continue to focus efforts on housing construction, and aims to complete 400,000 apartments by the end of 1985, according to Mayor Wang Dachan, speaking in a work report to the municipal people's congress now in session.

The mayor said that an estimated 44,000 apartments, each about 45 square meters, will be completed this year and 3.5 million square meters--or 77,000 apartments--are planned for next year. He said he expects groups of multi-story apartment buildings to rise around "people's square" and along some main streets by the end of 1985.

The mayor told the delegates that the old part of the city will be transformed and satellite cities and towns will be expanded.

The municipal official said that plans are being worked out to develop the Southern Bank of the Yangtze River mouth and the Northern Bank of Hangzhou Bay, Jinshanwei, Baoshan and Anting--outskirts on the rim of the city--and Caohejing and Minhang are slated for transformation into industrial areas for petro-chemical, metallurgical, automobile and electronic meters industries and export production centers. Construction of new harbor areas at Luojing in the northern coast and Jinshanzui in the southern coast is also under consideration.

The mayor said that the construction of a tunnel running under the Huangpu River, which cuts the city in two, was in full swing and a number of clover-leaf intersections and cross-town subways at major junctions are being built.

He urged those attending the meeting to step up pilot projects for building a round-the-city underground railway and the feasibility studies for a big bridge across the Huangpu River and expressways to outlying counties.

Next year, he said, the city will complete the expansion of the Wusong gas works and start building another large gas works at Pudong in the eastern part of the city. At the same time, efforts will be concentrated on the construction of waterworks and sewage water will increase from the present 230,000 tons to

550,000 tons. Several waste water treatment plants will also be built in 1983.

Control of water, noise and air pollution is also a main aspect in the city development program, Wang Dachan said. He urged the building of more litter and nightsoil docks, treatment grounds and storages, expand the acreage of green patches and step up the construction of the Dianshan Lake scenic spot on the western edge of the city outskirts.

CSO: 4020/42

## CONSTRUCTION

### HEBEI STRIVES FOR GOOD CAPITAL CONSTRUCTION RESULTS

HK130352 Shijiazhuang HEBEI RIBAO in Chinese 6 Jan 83 p 1

[Report: "Province's Capital Construction Front Strives To Improve Economic Results"]

[Text] In order to improve economic results, our province's capital construction front actively conducts consolidation of enterprises and carries out the activities of learning from the Handan Municipal No 2 Construction Company. Various economic responsibility systems have been adopted and led to gratifying achievements. By the end of 1982, the whole province had completed 94 percent of the capital construction plan worked out at the beginning of the year, showing an increase of 26.3 percent over the previous years. The large and medium-sized projects that the state required our province to complete and put into operation, including the Taozhuang No 2 coal mine, the Xiandewang coal mine, the Xiaohuayuan power station, the Zhuoxian aluminium-processing experimental plant, the Yian-Shaluo highway and the Tangshan salt chemical plant, have all been completed and put into operation. Moreover, the power transmission lines from Xiaohuayuan to Xuanhua, from Baoding to Boye and from Matou to the north-eastern suburban area of Handan City and the transformer substations in Tongye, Dongpang, Boye and the north-eastern suburban area of Handan City have also been completed and put into operation. The North China oil field and the first phase project for water supply in Handan have also been completed according to schedule. The production capacity which was newly increased mainly includes 1.8 million tons of coal extraction, 100,000 KW of power generation, 87 kilometers of transmission lines, 800,000 tons of petroleum production, 5,000 tons of aluminium foil, 100,000 tons of crude salt, 150 kilometers of highway for national defense and 120,000 tons of urban water supply. The key construction projects that the state required our province to organize, according to reasonable project periods, including the Xinhuangdao harbor, the Jidong cement plant, the project of double-tracking the railway from Beijing to Xinhuangdao, the tube power plant and the Yaohua glass plant, will be completed according to schedule. Some of them have been constructed ahead of schedule. Of the projects in which the investment contract system has been adopted, 90 percent can be completed according to or ahead of schedule. They are characterized by short construction period, good quality, small investments and high returns.

CSO: 4006/193

## CONSTRUCTION

### BRIEFS

STATE ENTERPRISES FULFILL PLAN--The state-run construction and installation enterprises under the Ministry of Urban and Rural Construction and Environmental Protection have fulfilled their annual plan ahead of schedule. Record highs have been reached in meeting such production targets as the amount of construction and installation work done, labor productivity and total floor space of completed projects. By the end of November, the amount of construction and installation work completed reached 9.24 billion yuan, which was already 5 percent above the annual plan. The year's total is expected to reach 10 billion yuan. Since the beginning of this year, the departments in charge of construction in various localities have strengthened their leadership in building key projects. In line with the state construction plan, they have arranged the order of priority accordingly for key projects in the energy, light and textile, and building materials industries and in the cultural, educational and public health fields and made sure that conditions were right for getting construction work started. In addition, they have also carried out monthly and quarterly inspections to see whether construction has proceeded according to the plan. As a result, these projects have been basically completed either on time or before schedule. Further efforts this year to practice and perfect the system of economic responsibility by the various construction enterprises have raised labor productivity by 10.3 percent compared with last year. [Text]  
[OW290523 Beijing Domestic Service in Mandarin 1200 GMT 23 Dec 82]

CSO: 4006/193

DOMESTIC TRADE

SHANGHAI'S FIRST COMMERCIAL DISTRICT OPENS 1 JANUARY

OW021640 Beijing XINHUA in English 1559 GMT 2 Jan 82

[Text] Shanghai, 2 January (XINHUA)--The first commercial district composed entirely of cooperative shops opened business yesterday in Shanghai, China's biggest city.

The district serves the Quyang new residential area with 6,100 families and its nearby areas.

All the 15 cooperative establishments there are responsible for their own profit and losses. The state made no investment and the funds needed mainly came from two sources--bank loans and shares bought by shop workers. State commercial departments will supply the shops with goods.

The 15 cooperative establishments are staffed by 390 workers, 330 of them being young school graduates. The workers will be paid according to the income of their businesses, and their wages will be calculated on the basis of their work.

The cooperative shops supply foodstuffs, textiles and other goods of daily use. The cooperative undertakings also include repair and catering services.

Chen Jinhua and Xin Yuanxi, vice-mayors of Shanghai, attended the opening ceremony. Speaking at the ceremony, Chen Jinhua said the municipal government will give support to the cooperative undertakings. He expressed the hope that the various economic sectors--state-owned, cooperative and individual commercial undertakings--would all grow more prosperous.

China has adopted the policy of taking the state-owned enterprises as the mainstay while allowing different economic sectors to operate. This will convenience the customers and enable more people to find jobs.

CSO: 4020/43

DOMESTIC TRADE

GUANGZHOU RURAL MERCHANTISING SYSTEMS, METHODS REVAMPED

Guangzhou GUANGZHOU RIBAO in Chinese 23 Nov 82 p 1

[Article: "Our Province Selects Varied Methods to Send Industrial Products to Rural Villages"]

[Text] Sun Jianyu [1327 1017 1938], correspondent of GUANGZHOU RIBAO, reports that in response to a "Decision on Promoting the Interflow of Commodities between Town and Country and Expanding the Sale of Industrial Products in the Countryside" issued by the State Council, the financial and commercial departments of Guangzhou resorted to diverse methods to expand the circulation and sale of industrial products in the countryside. Judging by the current market condition, an urgent task of the financial and commercial departments is to ship even more industrial products to the villages before the New Year Day and the Spring Festival.

The spectacular development of light and textile industries has provided the market with a rich reserve of commodities. There are nearly 20,000 different items of industrial products for daily use on sale in the municipality of Guangzhou, but only 6,000 in the county, 3,000 in each commune, and only a few hundred in each production brigade. The lower the unit, the fewer items it receives. To push for unobstructed flow of industrial products to the villages, the commercial and marketing departments of Guangzhou have worked out the following devices to ease the bottlenecks. The first one calls for large-scale sales exhibitions of industrial products, circuit sales exhibitions, floodlit night markets, sales vans, and itinerant pedlars' packs. Second, the municipal specialized companies work together with the basic level marketing cooperatives to operate joint stores which gradually form regional circulation centers. Third, the municipal specialized companies are to lower their wholesale starting point; deliver commodities free of charge; guarantee exchanges, returns, and reimbursement of losses; defer payments of commodities delivered; and provide capital and services to assist the third grade county wholesale units. Fourth, the county specialized companies must make it a rule to "make public" their source of commodities, their inventory, and the ratio of distribution; place no restrictions" on the amount of commodities ordered, the number of vouchers issued and the sizes of packages;" and act "promptly" in issuing release orders, dispatching commodities and shipping them so as to help the basic level cooperatives to acquire supplies based on mutual benefit. Fifth, the municipal and county specialized companies should help the basic level

marketing cooperatives to acquire more varieties of goods by taking back their unmarketable stock for resale, allow installment payments and a great margin of discount. Sixth, maintain and strengthen state-operated extension branches to backup the basic level marketing cooperatives in the local and adjacent economic cooperation areas. Seventh, use improved existing commissioned stores and retail stores to develop networks of retailers of diverse industrial products produced by different economic components. Eighth, the municipal specialized companies should convene periodic meetings on restocking of supplies to help the basic level communes to replenish their inventories.

The various municipal specialized companies and the several counties have achieved rewarding results in the past 3 months in expanding the sale of industrial products in the countryside as much as they could. The total value of commodities provided to villages by the sundry goods, hardware and communications equipment, textile and pharmaceutical companies under the First Bureau of Commerce has been increasing from month to month. The net total of industrial products sold between January and September this year by the basic marketing cooperatives went up by 11 percent over that of the same period last year, and the increase has been even more marked in the last 3 months. This not only helps meet the need of the peasants for developing production and improving their standard of living, but also withdraws a given amount of currency from circulation to boost the revenues of the state and the enterprises concerned.

As the personal income of peasants keeps growing along with the development of farm production, it calls for even more expanded sale of industrial products in the countryside. The savings by the villagers of the Municipality of Guangzhou during the first 10 months of this year has reached a total over 370 million yuan, up by 31.2 percent over that of the same period a year ago. This would be further augmented when the allotments for the fall become available to the peasants. Apart from procuring the means of production, and repairing and building homes, the peasants will spend a part of the money in the market to purchase the industrial products they need. Their need for industrial products will soar as the New Year Day and the Spring Festival approach. The commercial and marketing departments at all levels must be prepared in ideology, manpower, services and supply of goods to accommodate the busy season market demand in the villages. Some localities and departments which are concerned primarily with their own interests work solely to push for the sale of their overstocked supplies and refuse to acquire any more from outside. They do not want any outside unit to enter the local market to "take away" their business. There are also units which focus their sales efforts on important towns and country markets instead of villages, communes and production brigades, and concentrate on major commodities instead of minor items. This trend does not agree with the spirit of the "decision" of the State Council and the current situation.

The municipal leading unit on industrial products for the countryside has asked the specialized companies of the municipality to see to it that the total value of commodities shipped to the countryside in fourth quarter of

this year would rise by 15 percent over that of the third quarter, and that of the first quarter next year would be 10 percent more than that of the fourth quarter this year. In addition to shipping industrial products to the countryside, the municipal and county state-operated specialized companies should use the basic level marketing cooperatives as a vehicle to look after the interests of the basic level communes and to provide effective service. Getting commodities to the countryside does not stop at delivering wholesale commodities to the county and the basic level communes. Only when they guide and assist the basic level communes to actually sell the commodities to the individual peasants could it be regarded as getting the commodities really to the countryside.

The responsible comrades of related bureaus, banks and cooperatives attended an All Guangzhou Forum on Industrial Products for the Countryside 14-17 November to study the situation, the experience and the problems of the flow of industrial products to the countryside this year, and worked out measures for expanding the sale of industrial products in the countryside. The responsible comrades of the municipal government of Guangzhou were also at the meeting to listen to the views of related personnel on how to improve the system of getting industrial products to reach the countryside next year.

3560  
CSO: 4006/160

FOREIGN TRADE

COOPERATIVE PRODUCTION WITH FOREIGN NATIONS LAUDED

Guangzhou NANFANG RIBAO in Chinese 21 Nov 82 p 1

[Article: "Our Province Reaps Visible Results in Developing Cooperative Ventures with Foreign Firms"]

[Text] Huang Jingtang [7806 6475 2768], a Nanfang Ribao correspondent, reports that the province of Guangdong has learned in 3 years how to use foreign capital to run rewarding cooperative production with foreign nations, and has already attracted 2.1 billion U. S. dollars of investment by foreign businessmen. At the conclusion of a meeting on the experience of Guangdong in operating joint ventures and cooperative production with foreign nations, those who attended the meeting were in favor of pursuing this kind of cooperation more boldly.

Cooperative production means to cooperate with a foreign participant to establish various enterprises on the basis of equality and mutual benefit. While the Chinese side provides land, factory site, existing factory buildings and facilities, labor force and services, the foreign participant supply the capital, equipment, technology and materials. Profits are shared by both parties, a larger percentage going to the foreign participant and a lesser portion going to the Chinese side. The cooperation may be extended in case of business loss. The Chinese side is not responsible for repaying the capital and interest, does not assume any risks, but enjoys stable yields despite drought or excessive rainfall, and is free to arrange the employment of workers. The entire assets of the enterprise (including advanced equipment) revert to Chinese side without charge at the expiration of the cooperation. The arrangement has so many advantages that is has proven in 3 years a fast-developing and the most active channel for Guangdong to utilize foreign capital since the introduction of the method of processing and assembling materials supplied for foreign customers, and the practice of compensatory trade (repaying the funds, patented technology and advanced equipment supplied by a foreign firm). Statistics show that there were 605 cooperative production projects throughout Guangdong between July, 1979 and August 1982. They include industrial and maintenance projects; agricultural and animal husbandry projects; tourist trade and tourist service projects, transportation and telecommunication projects; cultural, educational, health, scientific, technological, linguistic, library and audio-visual educational projects; and foreign-financed building construction

projects. These projects are in the cities as well as secluded villages and towns. Although most of these projects are still being planned and built, and will take years to display their economic effectiveness, certain advantages which have begun to emerge speak eloquently for their promising future in a number of areas:

---They help develop the national economy and breathe life into a batch of crippled enterprises. For instance, the Guangming Farm at Shenquan which had been losing money for 20 years began immediately to recoup its losses once it instituted the cooperative production and compensatory trade.

---They bring in more foreign exchange for the state. In the past 3 years Guangdong has received 16.86 million U. S. dollars in foreign exchange through cooperative production. Without any investment, the state not only earns profit through cooperative production but also earned a factory complete with advanced equipment, including a caravan of nearly 100 motor cars when the cooperation expired.

---They bring in huge numbers of advanced equipments, new production technology, and improved breeds. They have provided the industry of Guangdong with new equipments, including production recording machines, electronic meters, containers, and materials for manufacturing thin marble slabs. They have helped Guangdong enter a new phase of agricultural and animal husbandry development by bringing in improved breeds of chicken, ducks, oil palms and sugar beet.

---They help improve urban transportation services. Over 1290 passenger cars were brought in in the past three years, and these have eased the pressure of urban transportation requirement. They help promote tourist trade by building and renovating tourist hotels consisting of more than 10,000 rooms. Some hospitals which have brought in advanced medical equipment are able to raise their level of medical services.

The responsible comrades of the Guangdong provincial foreign trade and economic commissions are in favor of pursuing the program boldly at this opportune moment when foreign capital and technology are searching for markets. Guangdong plans to set up 50 more cooperative production enterprises in 1983 in order to attract 800 million U. S. dollars of foreign capital.

5360  
CSO: 4006/160

FOREIGN TRADE

TIANJIN TO PROMOTE TRADE WITH USSR, EAST EUROPE

HK070122 Beijing CHINA DAILY in English 7 Jan 83 p 2

[By our staff reporter]

[Text] Tianjin aims to promote trade with eastern European countries during the New Year, according to Chen Yuanbiao, director of the executive office of the Tianjin Bureau of Foreign Trade.

The municipality is willing to import machinery from the Soviet Union and other eastern European countries. Chen said, adding that "their machinery is more suitable to our enterprises."

At the same time, the city plans to export some of its machinery to eastern Europe.

The bureau intends to increase its imports this year and hopes that this will fuel its own exports.

The bureau hopes to expand its trade with Middle East countries by boosting exports of its light industrial products and daily necessities.

Last year, Chen said, the city's exports which held priority in the city's foreign trade exceeded the state's target by six percent. More than 1,000 kinds of products were exported to 150 countries and regions, mainly the EEC, Japan, the United States, and Hong Kong.

The exports ranged from carpets and down, valued at more than \$50 million each, to rice, peanuts, sesame, sugar, cotton and steel, about \$30 million each.

The bureau's compensation trade and the processing of foreign raw materials were also a major part of the city's foreign trade last year, with good results.

More than 130 compensation trade and processing contracts were signed with seven countries and regions last year, involving 40 kinds of products, ranging from carpets and footballs to electronic watches, according to Wang Jirong, general manager of the bureau's imports department.

## Processing

The business of processing foreign raw materials alone earned the bureau more than \$6.7 million, compared with \$6.2 million in 1981. "Other departments in Tianjin also conduct compensation trade and processing businesses," Wang said.

"We have succeeded in making the most of our production potential to process and assemble foreign raw materials, thus building our determination to import more raw materials in the New Year for a larger-scale processing business," he said.

Last year, the bureau imported more than \$100 million of raw materials for Tianjin's 300 factories to process and assemble. This greatly eased the problem of shortages and helped factories which had been operating under-capacity, he said.

There are now more than 4,000 factories in Tianjin, a quarter of which are manufacturing for export.

At present, the business assembling imported materials involves 10 products, including watches and television sets, but the business will expand into electrical equipment and small-sized complete sets of equipment, he said.

"Although the assembly business is small now, it is successful," Wang said. Tianjin-make watches, for instance, saw a great surge in exports after 1980 when the city imported watch crystals and other materials, making it possible to increase the number of styles.

In 1981, more than 720,000 watches were exported to a total value of \$11.19 million, compared with 200,400 watches in 1979.

CSO: 4020/43

FOREIGN TRADE

JIANGXI CORPORATION EXPORTS MORE MACHINERY

OW191253 Beijing XINHUA in English 1144 GMT 19 Jan 83

[Text] Nanchang, 19 January (XINHUA)--The Jiangxi Provincial Machinery and Equipment Import and Export Corporation has signed export contracts worth 22 million U.S. dollars in 1982, a spokesman for the corporation revealed today.

The figure represents a 300 percent increase over 1979, the year when the corporation was inaugurated, the spokesman said.

Last year, 70 contracts were concluded with 30 companies from more than 20 countries and regions, including the United States, West Germany, Britain, Italy, France, Thailand and Hong Kong, the spokesman said.

Jiangxi Province, situated on the middle reaches of the Yangtze River, is one of China's major tungsten and copper producing centers. The province covers an area of 160,000 square kilometers and has a population of 33 million. Jingdezhen City in the province--known as the "porcelain capital"--has a history of 2,100 years of porcelain production.

Jiangxi's machinery exports cover machine tools and accessories, mine hoisting equipment, construction, farm and printing machinery, electric insulators, photo apparatus, optical instruments, motor vehicles, tractors and diesel engine spare parts.

The province now has more than 300 machinery plants producing 27,000 varieties and specifications and six research institutes, the spokesman said.

The Jiangxi Corporation has signed a long-term machine tool trade contract with a Thai company, and concluded contracts to export 1,300 machine tools with Thai and Hong Kong firms at the Guangzhou export commodities fair held last autumn.

Jiangxi Province exports 4,800 tons of electric insulators annually, ranking first in China, the spokesman said.

Since its inauguration in 1979, the corporation has established trade relations with 50 countries and regions.

CSO: 4020/43

## FOREIGN TRADE

### GUANGDONG INCREASES FOREIGN TRADE IN 1982

HK150120 Beijing CHINA DAILY in English 14 Jan 83 p 2

[Text] More than 7,600 contracts were signed between Guangdong Province and foreign companies last year despite the stagnant international market.

Investment in compensation trade, co-operative business and joint ventures increased by 17 per cent. Of the foreign funds, \$100 million or more have been used, according to the newspaper NANFANG DAILY.

Production of food, textiles, lifts, car tyres, beer, refrigerators, plastics, cement and coloured ceramic tiles is included among the contracted items, not only bringing in many advanced production lines and key equipment, but strengthening the province's competitiveness in the export market.

The province has also seized the opportunity to use foreign funds and technology that have recently been surplus in developed capitalist countries.

As a result, original agreements were extended by additional investments totalling HK\$1.6 billion (\$243 million) in the first 10 months of last year in the Shenzhen special economic zone.

With more foreign businessmen coming for trade talks, 14 contracts were signed between Guangzhou and foreign firms in the first 11 months of last year totalling \$796.4 billion.

Though the number of contracted items was fewer last year than in 1981, the value rose 70 per cent. Investment in the 14 contracts averaged \$5 million, while only \$1 million had been considered large in the past.

Businessmen from Hong Kong added investments of HK\$130 million (\$19.7 million) to the Zhanjiang Seaside Hotel after an initial investment of HK\$20 million (\$3 million) for restoration redecoration.

Most large imported items use the most advanced technology. For example, the Xinhui Polyester Fibre Filament Factory, which will go into operation this year producing products valued at 100 million yuan (\$53 million) a year, owns high-speed spinning machines imported from Britain. They can spin 3,500 to 4,500 metres of filament per minute.

CSO: 4020/43

FOREIGN TRADE

BRIEFS

GUANGDONG BARGE COMPANY--Guangzhou, 30 Dec (XINHUA)--A barge transport company is scheduled to start operation on 1 January 1983, to service the ports of Guangzhou and Huangpu in south China's Guangdong Province, which are becoming increasingly important under China's new policy of opening to the world. The Guangdong Barge Transport Company, the first of its kind in China, has a fleet of barges with a total carrying capacity of 40,000 tons, provincial authorities of Guangdong said. It is expected to help the Guangzhou and Huangpu Ports to handle more cargo. [Text] [Beijing XINHUA in English 1543 GMT 30 Dec 82 OW]

LIAONING PORT'S PERFORMANCE--Shenyang, 9 December (XINHUA)--Dalian, the biggest foreign trade port in northeast China, fulfilled its annual cargo handling quota of 31.26 million tons one month ahead of schedule, according to port authorities. The port handled 3.7 percent more cargo in the January-November period than during the same 1981 period, they said. Last year, the port handled 33 million tons. As of November 30, the port received 829 foreign cargo vessels, a 20 percent growth over the same period of 1981. The port reduced the average time for loading and unloading a vessel to 7.2 days, 0.3 days less than last year, by keeping informed in advance of the arrival of export goods and the calling of foreign ships. The port, which has trade contacts with 130 countries and regions, opened 7 international container shipping routes to Hong Kong, the United States, Australia, Singapore and European countries this year. It has handled nearly 10,000 standard containers this year, 150 percent more than the same 1981 period. [Text] [Beijing XINHUA in English 1155 GMT 9 Dec 82 OW]

FOREIGN BANKS, FIRMS HOLD MEETING--Guangzhou, 17 January (XINHUA)--Executives from 110 foreign and Hongkong banks, consortiums and companies today opened a special 5-day meeting here to discuss establishment of contacts with Chinese companies. They will outline to Chinese businesses how their firms might help development of Guangdong Province and its three special economic zones--Zhuhai, Shenzhen and Shantou where special policies attract foreign, Hongkong and Macao investment. Subjects to be discussed include leasing, foreign currency loans, construction design and the foreign exchange market. The Chinese will brief the visitors on the economic zones and other subjects. [Text] [OW171646 Beijing XINHUA in English 1454 GMT 17 Jan 83]

CSO: 4020/43

LABOR AND WAGES

'GONGREN RIBAO' ON WORKERS' TECHNICAL COOPERATION

HK170737 Beijing GONGREN RIBAO in Chinese 5 Jan 83 p 2

[Article by Wang Chonglun [3769 1504 0243]: "A Brand New Situation, a Glorious Task--Excerpts of Report Delivered on 10 December 1982 at a Meeting to Inaugurate the National Workers Technical Cooperation Association and to Commend the Advanced"]

[Text]

I

Not long after the close of the 12th CPC Congress, the fifth session of the Fifth NPC adopted the new constitution and the sixth 5-year national economic plan. The establishment of the National Workers Technical Cooperation Association and commending the advanced in this favorable situation will inevitably lead the mass activity of workers technical cooperation on to a new development. This brand new situation and glorious task presents the workers technical cooperation activity with a bright prospect and offers ample scope for their abilities. The technical shock team brought up by the workers technical cooperation activity has a fine tradition and a glorious fighting course. History will prove that under the guidance of the line of the 12th CPC Congress, they will definitely be able to unite as one with the broad masses of workers, storm and break through obstacles, surmount all the difficulties that lie in the way of their advancement and make outstanding contributions toward fulfilling the sixth 5-year national economic plan, create a new situation in all fields of socialist modernization and attain the grand objective put forward by the 12th CPC Congress.

The activity of workers technical cooperation is a great pioneering undertaking of the working class of our country and an outcome of a combination of the communist style and the high sense of responsibility of the working masses of being masters of their own under socialist system. During the early 1960's, at the crucial juncture when China was blocked from the external technology and was suffering from internal economic difficulties, some advanced and exemplary figures of Shengyang City stepped forward bravely, and voluntarily contacted skillful craftsmen to initiate an activity of technical cooperation and go in for tackling major technical problem hurdles. They were not concerned about pay for their labor, nor did they mind working extra hours, "they sought neither fame nor gain,

but wholeheartedly devoted themselves to socialism," they resolved key technical problems for factories, mines and enterprises, manufactured equipment urgently needed by the state, produced "credit" products, rushed to complete half done projects, energetically promoted the development of production and made a positive contribution toward "readjusting, consolidating, enriching and upgrading" the national economy.

After undergoing the test of the decade of internal disorder, the activity of technical cooperation was just like the flower buds of spring blooming beautifully, nurtured by the dewdrops and sunshine of the third plenary session of the 11th CPC Central Committee. The range of its activities was widely expanded from machinery to all trades and professions and from factory to grass roots level; the substance of the activity was also further enriched from principally tackling major technical problems hurdles to combining the tackling of major technical problems with popularizing and exchanging experiences and training together. The ranks of the technical cooperation were also expanded with many retired old workers plunging into the activity of technical cooperation and offering advice and techniques. After a problem is posed by the government and administrative organs, the workers technical cooperation make concerted efforts with departments concerned and mobilize the vast number of activists of the technical cooperation in devoting their energy to solve difficult technical problems and make an issue of technical transformation and upgrading economic results. By unfolding a wide range of technical cooperation activities centered on economizing on energy resources and developing the production of consumer goods, they have promoted the progress of science and technology, and created immense material wealth. According to incomplete statistics, in 1981, there were 2,809 items of advanced technical experience centered on economizing energy resources popularized by the Technical Cooperation Association in various localities and there were 5,923 items of relatively big major technical problems being solved. They have also saved a large number of medium and small size enterprises and made up their deficits and increased their surpluses.

The activity of workers technical cooperation is not only a big school to learn science and technology and one that promotes the progress of techniques and brings about immense material results; but is also a big school that develops communist customs, propagates communist ideas and promotes the development of the building of socialist spiritual civilization. At present, there are more than 18,000 technical cooperation organizations set up at various levels throughout the country and the ranks of technical backbones amount to over 400,000 people that attract and unite millions of working masses. This plays an immense role in training a new generation and creating a good social mood.

## II

The strategic target of the economic construction of our country set forth by the 12th CPC Congress is a grand one; it will also be arduous to attain this aim. Under the prerequisite of constantly raising economic results, what do we rely on to strive to quadruple the total output value of industry

and agriculture by the end of the century? We rely on solidarity and militancy, making hard and great efforts and doing work in a down-to-earth manner. In addition, we also rely on the progress of science and technology. This is a strategic problem that develops our economy. Only by cutting down the consumption of energy resources and raw materials with advanced science and techniques, and raising the accuracy and degree of processing, can we quadruple the economic results with the same amount of energy resources and raw materials.

The scientific research and scientific and technical departments and the vast number of scientific and technical workers shoulder the glorious responsibility of occupying the strategic domain of science and technology, attaining the modernization of science and technology and turning the production of enterprises on to a basis of applying new and advanced techniques. The Workers Technical Cooperation Association and the skillful craftsmen are also one of the forces of the scientific and technological front. They also shoulder an important responsibility. Without the "three-in-one" combination composed of workers, technical personnel and cadres, and without the mutual cooperation and fighting in coordination with the professional technical ranks and the technical ranks of the masses, it would be impossible to give full scope to the superiority of China's socialist system, rapidly change the backward state of the technology of our enterprises, catch up with the world's advanced level and attain our grand strategic objective.

The basic tasks of the Workers Technical Cooperation Association at the new historical stage are: Unite and organize activists in workers technical cooperation, carry forward the communist spirit and unfold mass activities of tackling major technical problems and hurdles, technical interchange and training, and other technical cooperation activities centered on the strategic focus set forth by the 12th CPC Congress to promote the progress of science and technology, constantly raise the economic results and labor efficiency, and strive to build a modern socialist country with a high level of civilization and democracy.

Organizing mass activity in tackling major technical problems is an effective method and a successful experience of the workers technical cooperation in overcoming production difficulties and promoting the progress of technology. From now on, the focus of our activity in tackling major technical problems must be technical transformation and upgrading economic results.

Unfolding mass activity in technical interchange and popularization is a good method for the workers technical cooperation to rapidly apply the advanced techniques to production and create more social wealth. From now on, economizing energy resources must be the focus of the activity of technical interchange and popularization. Provided our Technical Cooperation Association keeps in close coordination with the departments concerned and energetically popularizes the experience and technical results we have already gained in economizing energy resources and raising the utilization ratio of energy resources, we can make a great contribution to saving energy resources.

The solution of the communication problem is also one of the strategic focal points. It is an important subject in the technical cooperation activity to help transform the equipment of communication and transportation and popularize new techniques and scientific results in communication and transformation.

The mass activity of technical training is an important method for workers in technical cooperation to raise their technical level and operating skill. From now on, the target of the technical training of our technical cooperation activity must be youth workers. According to preliminary estimates, among young and middle aged workers, there are more than 30 million people that need to take literacy and technical classes. It is necessary to run technical study classes, conduct lectures and demonstrations, organize popularizing teams and emulation drives and carry out technical training activity aimed at particular problems, through the fronts of technical cooperation and by closely linking with the reality of production. The unique and special skills of veteran and retired workers are very valuable. We must organize them to pass on their experience, give help and set an example well and also organize production and technical backbones to master their unique and special skills.

It is a tradition of the workers technical cooperation to support agriculture. The technical cooperation organizations must, through a variety of flexible methods, continue to support agricultural work, help them with the overhaul of farm machines and tools, popularize agrotechnical and scientific know-how, train technical ranks, develop agricultural production and make new contributions to attaining agricultural modernization.

In carrying out the mass activity of technical cooperation, the cultural palaces and clubs of the trade unions must actively provide rooms and prepare convenient conditions for the technical cooperation activity.

Taking communist ideology as the core and the heroic exemplary figures, such as Zhao Chune, Jiang Zhuying, Luo Jianfu, Zhang Tongxing and others as examples, and constantly strengthening the spiritual civilization and organizational building of the ranks of workers in technical cooperation are basic guarantees for the workers technical organizations to play a greater role and make greater contributions to the building of modernization. As always, there are two outstanding characteristics of the workers technical cooperation ranks, which have the advanced exemplary figures as their backbone: One is they have an advanced ideology and have held high the banner of communism; and the other is they have a high technical level and have collected the skillful craftsmen of all professions and trades. This rank is a concentration of the fine qualities of the working class and embodies the spirit of the era. In the course of accomplishing the historical task in the new historical period, it is necessary to continue to preserve and carry forward this fine spirit and constantly expand the influence of this rank to attract more and more people to join our rank. This is in itself a symbol of the development of the building of socialist spiritual civilization, and through its influence, it can drive the entire social mood to turn for the better.

Never before have the ranks of our working class been so expanded. They now number over 100 million, of which the technical and industrial workers above grade four occupy approximately 35 percent. In expanding the ranks of the technical cooperation organizations, it is necessary to attract and unite more of these workers. We must particularly mobilize and organize labor models, advanced workers and individuals to participate in technical cooperation activity and give full play to their backbone, linking and leading role.

The renewal speed of the ranks of the working class in our country accelerated in the 1970's. Every year several million people joined the ranks of the working class, of which youth workers occupied around 60 percent of the total number of workers. It is a serious weak point of the technical cooperation ranks that youth workers very seldom take part in technical cooperative activities at present. We must pay special attention in drawing in and training those youth workers who are modest and willing to learn, have the courage to blaze new trials and study assiduously, and enable our ranks to be full of vigor and fighting spirit.

At present, retired workers amount to 10 million and this number will continue to increase in the days to come. There are many people among them that possess certain "unique skills" and professional techniques. This is an important technical force. The Technical Cooperation Association at various levels must proceed from reality and adopt different methods to organize those skilled craftsmen and technical personnel among the retired workers who are still in relatively good health. They can take part in technical cooperation activities within their ability. At the same time, we must try to assimilate the unique skills of veteran workers who are not in good health to make further contributions toward the building of socialist modernization.

We depend on our ranks to carry out activities and rely on the organization to build up our ranks; therefore, further establishing and perfecting the technical cooperation organizations at various levels is an important guarantee to organize our technical cooperation ranks well. In establishing technical cooperation organizations, we must be practical and realistic, suit measures to local conditions and not impose uniformity on all localities or rush headlong into mass action. At present, we must lay stress on grasping the building of technical cooperation organizations of large and medium cities and industrial and mine areas. By setting up the technical cooperation organizations of these places and unfolding the activities of technical cooperation, we can make contribution for the progress of technology and the development of economic construction. At the same time, we must grasp well the organizational building of industrial and mine enterprises, with the large and medium sized enterprises in particular, to meet the needs of unfolding technical cooperation activities at the grassroots levels under the new situation.

Science and technology is constantly developing and the equipment is changing all the time; therefore, it is necessary for skilled craftsmen and technical personnel to constantly learn new scientific know-how and master new techniques. This is an important condition for tackling major

technical problem hurdles, exchanging and popularizing techniques and also an important condition for raising the ideological and political consciousness and moral level of our technical cooperation ranks. Our technical cooperation rank is a technical shock team possessing a communist style. They must not only have a high level of political consciousness, but also have a perfect mastery of technical skills. It is particularly important to raise the technical level of the technical cooperation ranks in the situation of the ageing cycle of techniques becoming shorter.

While strengthening education in communist ideology and building spiritual civilization, we must lead the vast number of technical cooperation activists to correctly understand and deal with the new conditions and new problems emerging in the technical cooperation activities. For instance, the relations between communist style and the current economic policy, between spreading advanced technical experience and protecting competition, and between the activists of the Technical Cooperation Association doing their own work well and participating in the technical cooperation activities and so on. In handling well these relations, there are two points that must be considered: One is the nature and characteristics of the technical cooperation organizations and the other is the current state policies. The soul of the technical cooperation activity lies in holding high the banner of communism and carrying forward the communist style. While carrying forward the communist style, the current policies must also be implemented in the technical cooperation activities. In doing well the work of technical cooperation and further promoting and developing the workers technical cooperation activities, it is quite necessary to clarify this point.

Let us closely unite around the CPC Central Committee, firmly implement the spirit of the 12th CPC Congress, strive to fulfill the sixth 5-year national economic plan with one heart and one mind, possess the spirit of solidarity and militancy and the grand boldness of vision of the working class, and indomitably seize the great victory of the building of socialist modernization.

CSO: 4006/193

## LABOR AND WAGES

### HEILONGJIANG FACTORY CONTRACTS WORK TO FAMILIES

OW120521 Beijing XINHUA Domestic Service in Chinese 0043 GMT 11 Jan 83

[Excerpts] Harbin, 11 Jan (XINHUA)--The Jixi City lace factory in Heilongjiang has organized unemployed young people, housewives and idle manpower in rural and urban areas to do weaving and other handicraft processing work outside the factory and run various "bedside factories," benefiting both the state and the people. The factory registered an output value of 1.3 million yuan and made a profit of 165,000 yuan from January to October 1982, representing increases of 4.5 percent and 50 fold respectively as compared with those in 1981. Its products have been exported to nearly 10 nations including Japan, Italy and others.

The Jixi City lace factory is an enterprise of collective ownership with 150 regular workers. It specializes in producing hand-made place mats for dinner plates, laces, cup coasters and sofa cushions for export. In view of the characteristics in the production of lace and the large number of unemployed young women and idle housewives in the mining area, the factory has assigned jobs to people outside the factory and vigorously run "bedside factories."

Now, 41 processing centers have been set up outside the factory, and the total number of people doing processing work outside the factory has reached 8,300.

The Jixi City lace factory has attained excellent results in assigning processing jobs to people outside the factory.

1. It has been able to double its output value and profit without adding factory buildings and production facilities. Its annual production value is close to 2 million yuan, while reaping a profit of 200,000 yuan.
2. It has created jobs for the young women in the urban area.
3. Production can be carried out flexibly by each individual family.

Those who are engaged in production have neither a fixed work schedule nor fixed income. They are able to carry out production while taking care of their families. This kind of job is suitable for some women.

CSO: 4006/193

## LABOR AND WAGES

### BRIEFS

LABOR INSURANCE SYMPOSIUM--At the end of December 1982, the Ministry of Labor and Personnel held a symposium in Nanchong Municipality on labor insurance. The symposium exchanged experiences in social insurance for old workers of enterprises with ownership by the collective. Attending were responsible comrades of relevant departments of 12 provinces and municipalities, including Beijing, Tianjin, Shanghai, Guangdong, Liaoning, Hunan and Shaanxi; and representatives from the All-China Federation of Trade Unions, the People's Insurance Company of China and the State Labor Scientific Research Institute, totaling some 80 people. Representatives from Nanchong Municipality, Wuxi Municipality and some 10 places and units in Beijing, Tianjin and Shanghai introduced their experiences. The symposium fully affirmed the experiences of Nanchong Municipality and other places and demanded that all places seriously implement the principle of the CPC Central Committee and do well in social insurance for old people. [HK121518 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 4 Jan 83]

LANZHOU LABORERS' REPRESENTATIVES CONFERENCE--To exchange and develop experiences in running individual economy, Lanzhou Municipality recently held the first individual laborers' representative conference which was attended by more than 120 individual traders and pedlars. Those participants who were commended, highly praised the party policy which supported individual economy. They stressed that the development of individual economy had opened up new avenues for the employment of youths in cities and towns and provided convenience for the people's livelihood. They firmly believed that much can be accomplished in the promotion of such an economy. According to figures provided by Comrade (Ma Yonggui), deputy party secretary of Lanzhou Municipal CPC Committee, the number of individual traders and pedlars in Lanzhou has reached more than 16,000. Under the present conditions of reforming economic system and further implementing flexible policies, the number is expected to further increase. [HK231113 Lanzhou Gansu Provincial Service in Mandarin 1125 GMT 16 Dec 82]

CSO: 4006/193

TRANSPORTATION

'LIAONING RIBAO' ON RAILWAY DEVELOPMENT, ECONOMY

SK141237 Shenyang LIAONING RIBAO in Chinese 19 Dec 82 p 1

[Editorial: "Railways Should Play Their Role Well As the Vanguard"]

[Excerpt] The 12th National Party Congress regarded the construction of communications and transport facilities, including railways, as a strategic priority for national economic development. This is a major lesson we have learned after summing up our experiences in economic construction over the past 30 years or more. It is also an example of our respect for objective economic laws. Experience shows that transportation is a major check on our national economic development. Only when the national economy is based on a solid transport infrastructure can production and construction progress in a well coordinated manner. In the future, while working to achieve the grand goal of quadrupling industrial and agricultural output, we must implement the policy of making railway construction the vanguard of economic development and ensure that railway construction precedes economic development and not vice versa, and that our communications and transport capacity is greater than the scale of economic development and not vice versa.

Passenger and freight transport in Liaoning Province is in a very strained situation. Our current economic situation cries out for relief from the strains on railway transport. This is also a prerequisite for vigorous economic development in the future. The task is tremendous and is of extreme importance to the economy as a whole. We must not treat it lightly. How should we proceed to create a new situation in railway transport and increase our transport capacity? In view of the state's financial situation and the existing railway facilities in Liaoning, we should not place our hopes on constructing new railways. Instead, we should carry out technical transformation on existing railways and tap their potential. The latter method is dictated by the existing railway situation in Liaoning, and it also conforms to our national conditions because it will cost us less money and produce better economic results. Railways in the northeast were built several decades ago by tsarist Russia and the Japanese imperialists to commit aggression against us and to pillage the resources in the northeast. They are technically backward and irrationally distributed and are very unfit for today's requirement of developing the economy independently with the initiative in our own hands. Although we have attempted readjustment and transformation since liberation, the situation has so far not

radically changed. The carrying capacity in many regions and sections, the capacity to Marshall rolling stock [Bian jie 4882, 6043] and the dispatching capacity in some railway stations are imbalanced or technically incompatible, hindering the formation of a comprehensive transport system. If we will carry out necessary technical transformation on the weak links, fill the gaps and apply the proper new technologies, we can increase the overall transport capacity and further develop the potential transport capacity.

CSO: 4006/193

## TRANSPORTATION

### TRANSPORT SAFETY STRESSED DURING SPRING FESTIVAL

OW130841 Beijing XINHUA Domestic Service in Chinese 1456 GMT 10 Jan 83

[Text] Beijing, 10 Jan (XINHUA)--In order to provide good passenger transport service during this year's spring festival holidays, 10 departments, including the State Economic Commission, the Ministry of Railways, the Ministry of Communications, the Ministry of Public Security and the Civil Aviation Administration of China, today jointly held a telephone conference on passenger transport safety during the spring festival holidays.

The passenger transport task will be very heavy during this year's spring festival period. According to an estimate by the departments concerned, the railways, highways, waterways and civil aviation will transport 500 million passengers, about 7 percent more than in 1982.

The telephone conference called on all provincial, autonomous, regional and municipal people's governments to firmly strengthen their leadership over the passenger transport work during the spring festival holidays. It asked the railways, the civil aviation and other transport departments to run additional trains, short-distance bus service and flights and ensure the passengers' safe and on schedule arrival at their destinations. It urged all units to strictly control the number of their personnel on material purchasing or visiting trips.

The telephone conference particularly emphasized transport safety and stressed the necessity to strictly prohibit passengers from carrying combustible materials or explosives with them, sternly deal with those who carry such dangerous materials and hold criminally responsible those who cause serious consequences.

CSO: 4006/193

TRANSPORTATION

BRIEFS

TIANJIN SHIP CORPORATION--Tianjin, 30 December (XINHUA)--Two shipyards of the Tianjin Municipality and one of Hebei Province were officially merged into a ship building company today. The Tanggu-based Tianjin Ship Industrial Corporation is expected to facilitate sea transport, exploitation of marine resources and development of fishery. [Text] [Beijing XINHUA in English 1546 GMT 30 Dec 82 OW]

ZHEJIANG HARBOR--Hangzhou, 27 December (XINHUA)--Beilun Harbor, China's first 100,000-ton-class modern ore transit port in Zhejiang Province was accepted by the state examination committee for the project today. The deep water-harbor, which faces the Zhoushang Islands in the east, was designed to serve the Baoshan Iron and Steel Complex, China's biggest, now being built near Shanghai. It has one berth for 100,000-ton ships and two berths for 25,000-ton ships. The freight yard can store 500,000 tons of ore of 10 varieties, and the F-shaped harbor can handle 20 million tons of ore annually, the committee said. Construction of this China-designed ore harbor began in January 1979 and was completed in 4 years. The harbor, in addition to serving the Baoshan Iron and Steel Complex, can also handle other import and export goods in bulk. [Text] [Beijing XINHUA in English 1607 GMT 27 Dec 82 OW]

TIANJIN'S XINGANG PORT--Xingang Port is China's first modern container port to reach an annual handling capacity of 400,000 tons or 4,000 containers of cargos. At present, three more container wharfs are under construction and are expected to go into operation by 1985. [Tianjin TIANJIN RIBAO in Chinese 7 Dec 82 p 2]

CSO: 4006/193

GENERAL

'TIANJIN RIBAO' URGES EFFORTS TO ADVANCE ECONOMY

SK131147 Tianjin City Service in Mandarin 0030 GMT 13 Jan 83

[Report on TIANJIN RIBAO 13 January commentator's article: "It All Depends on Human Efforts"]

[Text] The article states: In 1982, we encountered many unexpected new problems and difficulties in industrial development. Generally speaking, the annual industrial production, however, was fine. The municipality scored a 6.2 percent increase in its total industrial output value and a slight increase in its revenue and in its plan for handing profits over to the state. The municipality also made progress in conducting technical renovations, increasing the variety of new products and improving managerial work among enterprises. All the achievements we have scored resulted from our efforts to struggle against difficulties. All of this is attributable to the common efforts exerted by the broad masses of cadres and the people.

In the new year, each front should create a new situation, achievement and contribution and should do its new part toward realizing our great cause. To this end, we should make a correct appraisal of the situation in the new year. It must be noted that we have many favorable conditions and that we are facing the following five difficulties: 1) strained communications and transport; 2) insufficient energy resources; 3) shortage of raw materials; 4) shortfall in output for some commodities; and 5) unmarketable goods. All of these difficulties are current and practical. What attitude we adopt toward these difficulties relates to the issues of fostering suitable thinking and adopting effective methods, which means we should not leave these difficulties to chance by only adopting expedient measures in dealing with them. Through careful study, we should be determined to thoroughly make a turn in ideology so as to face up to difficulties and to make all-out efforts to overcome these difficulties. Let's take market problems as an example. Because demand has been greater than supply in the past many years and because the majority of commodities have long been procured and sold under the state unified plan, comrades on the industrial front for many years have been unable to pay attention to market transactions, commodity circulation and to social demands. Great changes in consumer goods markets have surprised a large number of comrades and put them at a loss. The situation has been changed thanks to the rapid development in the production of consumer goods that has come about by bringing order out of chaos and conducting economic readjustment. Producers' monopoly markets

and consumers' unconditional purchase have eternally disappeared and markets that allow the free choice of buyers and consumers have taken their place.

The article points out: In the current period in which the economy has developed, leading cadres at all levels on the industrial front should resolutely make a thorough turn in understanding. The economic work for the days to come will not be accomplished if these cadres do not work hard, exerting all-out efforts and having genuine ability, as well as if they intend to seek existence and development only by leaving difficulties to chances. We must orient our understanding to the changed situation. We should, as early as possible and at all times, gain an understanding of the situation, adjust ourselves to the situation and be active in overcoming difficulties. A failure to obtain understanding and to adjust oneself to the situation will certainly land a person in a passive position. To be active is the manifestation of freedom and is possible to discern an inexorable trend. To be passive means to not know the inexorable trend. As Chairman Mao pointed out well, the core task of military directors is to take the initiative. If they have landed themselves in a passive position, resolute efforts should be made to correct it.

In conclusion, the article states: To clearly understand difficulties and to adopt due measures would result in a good end. To totally give up understanding will certainly result in suffering. We should regard difficulties and misgivings as our motive force in exerting all-out efforts to constantly strive to become stronger and to flourish. In upholding the principle that it all depends on human efforts, we should clearly understand the current situation, adjust ourselves to the situation and adopt measures to change ourselves from a passive position to an active one. We should make a correct appraisal of the situation. Through all-out efforts exerted in 1982, an ideological change in Tianjin has taken place, and the municipal markets have been enlivened. All of this has shown that we have a large number of favorable conditions and that the situation prevailing in the municipality is fine. Therefore, leading comrades on the industrial front should by no means be pessimistic and shrink back at the sight of difficulties, and, on the contrary, should adopt effective measures to overcome them and to achieve still greater development in their work by making all-out efforts.

CSO: 4006/193

GENERAL

BRIEFS

INDUSTRY GROUP VISITS MACAO, HONG KONG--Guangzhou, 8 Jan (XINHUA)--A 16-member delegation of the All-China Federation of Industry and Commerce led by Hu Ziang left Zhuhai City, Guangdong Province, this morning for a visit to Macao. The delegation will also visit Hong Kong. The delegation visited Macao and Hong Kong at the invitation of the General China Chamber of Commerce in Macao and Hong Kong, the Hong Kong Federation of Industry and the China Federation of Industry and Commerce in Hong Kong. [Text] [OW110435 Beijing XINHUA Domestic Service in Chinese 1526 GMT 8 Jan 83]

HUNAN KEY PROJECTS--In 1983 Hunan Province will concentrate its efforts to build 29 key projects which are the weak links in the provincial economy. (Majichang) hydropower station--a main power resource in the province--and the fifth generating units in the (Jinzhushan) power station will be completed in the second quarter of 1983. The other projects include (Dongjiang) hydropower station, (Nianshao) mine, Youyang sewing machine plant, Hengyang bicycle plant, Changsha bicycle plant, Hengyang watch plant, (Zhuma) textile mill, (Dongjiang) cement plant, two chemical fabric plants in Shaoyang and Xiangtan municipalities and others. In addition, more efforts will be exerted to build more dwelling houses for residents. [Changsha Hunan Provincial Service in Mandarin 2310 GMT 31 Dec 82]

CSO: 4006/193

HONG KONG MEDIA ON CHINA

HU ZIANG STRESSES MUTUAL COOPERATION

HK111051 Hong Kong HSIN WAN PAO in Chinese 11 Jan 83 p 1

[Report: "Hu Ziang [5170 1311 2491], Head of a Delegation From All-China Federation of Industry and Commerce, Talks About Strengthening Cooperation, Common Prosperity and Bright Future"]

[Text] At a forum held by the Industrial Association this morning, Hu Ziang, head of a delegation from the All-China Federation of Industry and Commerce called on the industrial and commercial circles of Hong Kong to strengthen cooperation with the mainland and help each other to overcome difficulties. He said that the prosperity and progress of Hong Kong and the mainland are inseparable and the people of Hong Kong must have confidence in their future.

Hu Ziang said: "There exists now in Hong Kong a problem of confidence. I believe that the industrial and commercial circles of Hong Kong will certainly maintain close ties with the mainland and overcome various difficulties. We must march toward brightness. We must fight for the future prospects of China and make more contributions to the four modernizations of the motherland."

Zhang Jingli, deputy head of the delegation, delivered a speech, saying: "The sixth 5-year plan examined and approved by the NPC calls on the people throughout the country to create a new situation in construction. China is now taking a prosperous road and we have confidence in achieving the 'quadrupling' goal. Over the past 2 years or so, agricultural production has rapidly developed in China and peasants have considerably increased their income. The improvement in agricultural production has directly stimulated the development of industry and commerce. The steady economic progress made by China at present constitutes a sharp contrast to the current economic recession in Western countries."

He said: "I think the most serious problem existing in Hong Kong is confidence. But all of you must realize that the future development of Hong Kong and that of China are inseparable. Provided we formulate explicit policies, improve technology and strengthen mutual ties, we are able to make joint efforts for the prosperity and stability of Hong Kong."

Tang Xiangqian, chairman of the Industrial Association, expressed that it is extremely important to maintain the prosperity and stability of Hong Kong. As a result of mutual cooperation, Hong Kong will certainly make contributions to the four modernizations of China. Hong Kong has seen a remarkable development in industry, commerce and financial service business over the past 40 years.

HONG KONG MEDIA ON CHINA

SHEN TU ON NEW AIRPORT CONSTRUCTION

HK120522 Hong Kong TA KUNG PAO in Chinese 12 Jan 83 pp 1, 3

[Special dispatch from correspondent Chang Ko-chao "Shen Tu Meets New Territories Personages"]

[Text] CAAC [China Aviation Administration of China] Beijing Administration Director Shen Tu today saw the visiting group of Hong Kong new territories personages and listened to the proposals put forward by the group on building a new airport in Hou Hai Bay [Deep Bay 0683 3189 3494] in the new territories in an Anglo-Chinese joint venture. Shen Tu said that this issue involves many departments and the CAAC Beijing administration could not make a decision on it itself. However, he promised to relay the proposal to the parties concerned, including Guangdong provincial authorities, which have close relations with Hong Kong.

Hosts and guests held a forum in the Beijing CAAC conference room. Liu Huang-fa, [Law Wong-fat in Cantonese and ref] head of the group said that in recent years, civil aviation has greatly developed in the wake of the four modernizations. The development of civil aviation has speeded up the pace of linking China with Hong Kong and has promoted industrial and commercial development. Geographically situated in a favorable environment, Hong Kong will contribute to the development of the civil aviation of the country in the future. Liu added that Hong Kong needs to study and build a new airport in order to meet the increasing growth of airline service.

Chen Jih-hsin [a delegation member] said: On the principle of equality and mutual benefit, China and Britain may consider building an airport in Hou Hai Bay. This will help maintain the stability and prosperity of Hong Kong and tighten ties between Shenzhen and Hong Kong as well. Meanwhile, in view of the economy, it is more economical to build a new airport in Hou Hai Bay than in Chek Lap Kok in Lantau Island.

He also said: If China and Britain will build an airport in Hou Hai Bay in cooperation, this will constitute a crucial question involving the maintenance of the stability and prosperity of Hong Kong after 1997.

Having listened to the opinions of all group members, Bureau Director Shen Tu said: Hong Kong people are concerned with the question of whether the

stability and prosperity of Hong Kong can be maintained after China's recovery of Hong Kong's sovereignty in 1997. I believe that the suggestion put forward by the visiting group is also based on this desire. Building a new airport in Hou Hai Bay is an important matter. As termed by the British, this will constitute a crucial question involving the maintenance of the stability and prosperity of Hong Kong after 1997. However, up until now Britain has not yet officially made this proposal to China. If the proposal is made, the General Administration of the China Civil Aviation Bureau will take it into consideration.

Speaking of the development of China's civil aviation in recent years, Shen Tu pointed out: Now there have been 42 regular flights between Hong Kong and major cities in the interior since the ties of air services were established in 1978. He estimated that there will be 200 special service flights during the coming spring festival. Now, transportation is more convenient between Hong Kong and the interior.

After the meeting, Chen Jih-hsin presented to Shen Tu a written proposal on the new airport plan. Also present at today's meeting was Li Chaifan, director of the International Bureau of the General Administration of China Civil Aviation.

The visiting group had lunch in the summer palace and then visited the Tiantan park. In the evening, the All-China Federation of Industry and Commerce held a banquet for the group in the Quanjude Duck Restaurant. Among the people who attended the banquet were Li Ding and Ma Zhengsin, responsible persons of the united front work department of the CPC Central Committee; Li Hou and Cheng Hongye, responsible persons of the office in charge of Hong Kong and Macao under the State Council; Zheng Hongye, responsible person of the China Council for Promotion of International Trade; Zhuang Yanlin, director of the China Travel Service; and Sun Qimeng, Sun Xiaocun, Huang Jieran, Huang Liangchen and Sun Fuling, responsible persons of the All-China Federation of Industry and Commerce.

The visiting groups will hold a forum with the China Council for Promotion of International Trade tomorrow morning and is tentatively scheduled to pay an official call on Liao Chengzhi, vice chairman of the NPC Standing Committee.

Liu Huang, head of the visiting group, expressed this evening that when they are received by the central leaders, they will exchange views with them on a proposal of the Hong Kong people administering Hong Kong. Members of the visiting group will present five written suggestions relating to the future of Hong Kong.

CSO: 4006/194

HONG KONG MEDIA ON CHINA

BRIEFS

DISCUSSIONS ON SHENZHEN AIRPORT--A Heungyeekuk [an advisory group] delegation will meet the director-general of Civil Aviation Administration of China, Shen Tu, in Beijing today on details of building an airport in Shenzhen. The 11-member team led by the KUK chairman, Lau Wong-fat, left Hong Kong yesterday on a 7-day visit to Beijing. The team was invited by the XINHUA News Agency to discuss Hong Kong's future with Beijing officials. Reports from Beijing said the visiting team will learn about the possibility of local investment in the building of an airport at Shenzhen. Mr Shen is also expected to hold more talks with the team about the airport and its implications on the future development of the new territories, the report said. At the airport yesterday, Mr Lau only said the team "hoped to meet officials at the highest level." During their visit, Mr Lau said, the team will deliver a 20,000-word opinion paper to top Chinese officials. According to Mr Lau, the paper explains the political and economic situation of the new territories. Most of the delegates are wealthy and influential businessmen in the new territories. [Text] [HK110306 Hong Kong HONG KONG STANDARD in English 11 Jan 83 p 12]

CSO: 4020/40

TAIWAN

ECONOMICS MINISTER OPTIMISTIC ON 1980'S

OW030359 Taipei CNA in English 0309 GMT 3 Jan 83

[Text] Taipei, 3 Jan (CNA)--The 1980's will be a key decade in the Republic of China's effort to enter the ranks of the industrialized nations, Minister of Economic Affairs Chao Yao-tung stated in a written report over the weekend. Moreover, the decade will be instrumental in the reshaping of the economy and the upgrading of the industrial structure, he said.

In a special report entitled "The Future Direction of Taiwan's Economy," Chao said in order to overcome the present difficulties facing the economy, it will be necessary to strive for the improvement of both the economic structure and the product structure. Of equal importance is the upgrading of production technology and management techniques, said Chao.

In the report, Chao frankly stated that due to a heavy reliance on exports, the economy of the Republic of China has declined in the face of the current global economic chaos.

He stressed the point that in order to advance the economy to a new stage, as well as to upgrade the economy, the government must take measures to deal with the root causes of the problems as well as take emergency measures to help return the economy to normal.

Chao suggested that such "root" solutions be aimed at providing guidance and assistance to the domestic industries while improving the overall economic structure.

The economics minister also stressed the importance of automation for small and medium businesses throughout Taiwan. He announced that the Ministry of Economic Affairs is currently working on a plan to establish a "small and medium factory productivity service team," which would select those small- and medium-size factories manufacturing products for which there are ready export markets to receive special assistance from the government in this area.

Chao also called for what he termed an orderly system of production and marketing. To bring about this order, he called on domestic manufacturing industries to not purchase materials from foreign sources if the materials could be obtained locally.

CSO: 4020/39

TAIWAN

## INDUSTRIAL PRODUCTION DROPS IN 1982

OW120339 Taipei CNA in English 0250 GMT 12 Jan 83

[Text] Taipei, 12 Jan (CNA)--The general index of the Republic of China's industrial production last year dropped 0.8 percent from the preceding year, the Directorate General of Budget, Accounting, and Statistics said Tuesday.

The agency listed the 1982 indices of the major industrial sectors as: Mining, down 5.7 percent from 1981; manufacturing, up 1.8 percent; heavy industry, up 1.1 percent; light industry, up 2.9 percent; water, electricity and gas, up 2 percent; and housing construction, down 31.3 percent.

In the manufacturing sector, the heavy industry output accounted for 57.1 percent, down from 57.6 percent a year ago.

The production of major industrial products in December as compared with that of November:

Sugar, up 70,000 metric tons; canned pineapple, mushrooms, and asparagus, up 335.8 percent; electrolytic copper, up 57.1 percent; orders for television sets, up 16.5 percent.

Most industrial products registered growth in production in December as the new year was drawing near. But motor bikes dropped 16.3 percent because of overstocking. Polyethylene dipped 8.1 percent because the factory was under an overhaul, and calculators also declined 4.9 percent.

CSO: 4020/39

END